UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-K

(Mark One)

☑ ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended January 29, 2022

OR

☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from ____________ to ______________

Commission file number 1-2191

CALERES, INC.
(Exact name of registrant as specified in its charter)

New York	43-0197190
(State or other jurisdiction of incorporation or organization)	*(IRS Employer Identification Number)*
8300 Maryland Avenue St. Louis, Missouri	63105
(Address of principal executive offices)	*(Zip Code)*

(314) 854-4000
(Registrant's telephone number, including area code)

Securities Registered Pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock — par value of $0.01 per share	CAL	New York Stock Exchange

Securities Registered Pursuant to Section 12(g) of the Act: None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☑ No ☐

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes ☐ No ☑

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☑ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☑ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act:

Large accelerated filer ☑ Accelerated filer ☐ Non-accelerated filer ☐ Smaller reporting company ☐ Emerging growth company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report. ☑

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). Yes ☐ No ☑

The aggregate market value of the stock held by non-affiliates of the registrant as of July 31, 2021, the last business day of the registrant's most recently completed second fiscal quarter, was approximately $890.4 million.

As of February 25, 2022, 37,633,895 common shares were outstanding.

Documents Incorporated by Reference

Portions of the Proxy Statement for the 2022 Annual Meeting of Shareholders are incorporated by reference into Part III.

INTRODUCTION

This Annual Report on Form 10-K is a document that U.S. public companies file with the Securities and Exchange Commission ("SEC") on an annual basis. Part II of the Form 10-K contains the business information and financial statements that many companies include in the financial sections of their annual reports. The other sections of this Form 10-K include further information about our business that we believe will be of interest to investors. We hope investors will find it useful to have all of this information in a single document.

The SEC allows us to report information in the Form 10-K by “incorporating by reference” from another part of the Form 10-K or from the proxy statement. You will see that information is “incorporated by reference” in various parts of our Form 10-K. The proxy statement will be available on our website after it is filed with the SEC in April 2022.

Unless the context otherwise requires, “we,” “us,” “our,” “the Company” or “Caleres” refers to Caleres, Inc. and its subsidiaries.

Information in this Form 10-K is current as of March 28, 2022, unless otherwise specified.

CAUTION REGARDING FORWARD-LOOKING STATEMENTS

In this report, and from time to time throughout the year, we share our expectations for the Company’s future performance. These forward-looking statements include statements about our business plans; the potential development, regulatory approval and public acceptance of our products; our expected financial performance, including sales performance and the anticipated effect of our strategic actions; the anticipated benefits of acquisitions; the outcome of contingencies, such as litigation; domestic or international economic, political and market conditions; and other factors that could affect our future results of operations or financial position, including, without limitation, statements under the captions “Business,” “Legal Proceedings” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations.” Any statements we make that are not matters of current disclosures or historical fact should be considered forward-looking. Such statements often include words such as “believe,” “expect,” “anticipate,” “intend,” “plan,” “estimate,” “will” and similar expressions. By their nature, these types of statements are uncertain and are not guarantees of our future performance.

Our forward-looking statements represent our estimates and expectations at the time that we make them. However, circumstances change constantly, often unpredictably, and investors should not place undue reliance on these statements. Many events beyond our control will determine whether our expectations will be realized. We disclaim any current intention or obligation to revise or update any forward-looking statements, or the factors that may affect their realization, whether in light of new information, future events or otherwise, and investors should not rely on us to do so. In the interests of our investors, and in accordance with the “safe harbor” provisions of the Private Securities Litigation Reform Act of 1995, Part I. Item 1A. *Risk Factors* explains some of the important reasons that actual results may be materially different from those that we anticipate.

INDEX

PART I

ITEM 1 BUSINESS

Caleres, Inc. (the "Company"), originally founded as Brown Shoe Company in 1878 and incorporated in 1913, is a global footwear company. Current activities include the operation of retail shoe stores and e-commerce websites, as well as the design, development, sourcing, manufacturing, marketing and wholesale distribution of footwear for women, men and children. Our business is seasonal in nature due to consumer spending patterns, with higher back-to-school and holiday season sales. While the third fiscal quarter has historically accounted for a substantial portion of our earnings for the year, we are beginning to experience more equal distribution among the quarters.

Our net sales are comprised of four major categories: women's footwear, men's footwear, children's footwear and clothing and accessories. The percentage of net sales attributable to each category is as follows:

	2021	2020	2019
Women's footwear	**59 %**	61 %	63 %
Men's footwear	**24 %**	23 %	22 %
Children's footwear	**11 %**	10 %	9 %
Clothing and accessories	**6 %**	6 %	6 %

Human Capital Management

As of January 29, 2022, we had approximately 9,200 employees, including 5,200 full-time and 4,000 part-time. In the United States, there were no employees subject to union contracts. In Canada, we employ approximately 17 warehouse employees under a union contract, which will expire in October 2022. The Company's success depends on our ability to attract, develop, motivate and retain qualified management, administrative, product design and development and sales and marketing personnel to support existing operations and future growth. Our values – Passion, Accountability, Curiosity, Creativity and Caring, inform how we work, how we treat one another and how we live our mission.

Compensation Programs and Employee Benefits

We believe that pay, benefits and incentives make up the total rewards package and provide employees and their families with financial protection and security for the future. Our compensation programs are designed to encourage and reward our executives and associates for superior performance and drive long-term shareholder value. We offer a comprehensive benefits package to our employees that provides, among other benefits, competitive salaries and wages; comprehensive health insurance coverage to eligible employees; retirement plans; education assistance; paid time off; parental bonding leave; adoption benefits; and charitable giving opportunities through the Caleres Cares Charitable Trust, including volunteer opportunities and our matching gift program.

Health and Safety

Our associates make health and safety a daily priority at our stores, distribution centers, offices and factories. Newly hired associates are required to attend a health and safety training as part of the onboarding process and they receive a variety of relevant training and information throughout the year. Our guidelines cover many common elements such as physical safety and security, workplace violence, emergency procedures, incident reporting protocols, first aid and other general health and safety topics. All of our retail associates receive training in accordance with our Occupational Health and Safety Program, which provides for both their safety and that of our customers. Our corporate offices support the well-being of our associates with on-site amenities such as a fitness center and a registered dietician that is available for consultations. During 2021, we also offered our corporate associates paid time off to get the COVID-19 vaccine.

Diversity, Equity and Inclusion
Caleres was founded on the insight that people are unique, and we are proud of our inclusive and collaborative environment where differences are celebrated. We believe that Caleres should be as diverse as the people and communities we serve. We are committed to recruiting talented individuals from all backgrounds, ethnicities, genders, lifestyles and belief systems and developing diverse candidate slates for every open position with leadership accountability. The Diversity, Equity and Inclusion Council that was established in 2020 is focused on elevating awareness of diversity, equity and inclusion through its educational communications and trainings provided to our associates throughout the year. In addition, our commitment to diversity, equity and inclusion is reflected in our Board of Directors. As of January 29, 2022, we had 10 directors, of which 60% are female and 20% are racially and ethnically diverse.

Environmental, Social and Governance ("ESG") Initiatives
Our ESG initiatives are an important component of our enterprise risk management program. Our long-standing pledge to quality craftmanship includes creating sustainable and lasting value for all of our stakeholders. Our ESG Steering Committee is responsible for developing programs, goals and metrics to support our ESG initiatives. In 2019, we engaged a third-party consultant to help us assess factors that are most significant to Caleres and its stakeholders. The following categories were identified as most material and provide the framework for our ESG initiatives:

- Brand Portfolio
- Packaging
- Materials Recovery/Waste Reduction
- Facility Energy and Emissions
- Sustainable Product Offerings
- Supply Chain Labor Standards
- Associates
- Community

Many of our ESG goals focus on high impact areas of opportunity, such as the materials that are used in our products, their byproducts and supply chain labor standards. We are striving to use environmentally preferred materials to produce all of our products and packaging, and we will ensure all of our strategic factories around the world comply with leading global work standards. During the first quarter of 2021, we published our inaugural corporate ESG report, which was nationally recognized on Newsweek's Most Responsible Companies list and ranked in the top 10 for the consumer goods category. The report detailed our ESG strategy and provided our goals for sustainable products and practices. This report may be accessed at www.caleres.com/about/esg. The information contained on our website is not incorporated by reference into this Form 10-K and should not be considered part of this report. We expect to publish another ESG report in April 2022, detailing our progress toward our identified target goals, which we seek to achieve by 2025.

Competition
With many companies operating traditional brick and mortar retail shoe stores and departments and e-commerce businesses, we compete in a highly fragmented market. In addition, the continuing consumer shift to online and mobile shopping has increased price competition and requires retailers to lower shipping costs charged to customers, improve shipping speeds and optimize mobile platforms. Our competitors include local, regional and national shoe store chains, department stores, discount stores, mass merchandisers, numerous independent retail operators of various sizes and e-commerce businesses. Quality of products and services, store location, trend-right merchandise selection and availability of brands, pricing, marketing, advertising and consumer service are all factors that impact retail competition.

In addition, our wholesale customers sell shoes purchased from competing footwear suppliers. Those competing footwear suppliers own and license brands, many of which are well-known and marketed aggressively. Many retailers, who are our wholesale customers, source directly from factories or through agents. The wholesale footwear business has low barriers to entry, which further intensifies competition.

FAMOUS FOOTWEAR
Our Famous Footwear segment is one of America's leading family-branded footwear retailers, with $1.7 billion in net sales for 2021. Famous Footwear employs an omni-channel approach to reach consumers wherever they want to shop, including our growing e-commerce channel through famousfootwear.com and famousfootwear.ca, as well as nearly 900 Famous Footwear retail locations. Our core consumers are those who seek leading national brands of athletic, casual and fashionable footwear at a value for themselves and their families.

Famous Footwear features a wide selection of brand name athletic, casual and dress shoes for the entire family. Brands carried include, among others, Nike, Skechers, adidas, Vans, Crocs, Converse, Puma, Birkenstock, New Balance, Under Armour, Asics, Timberland, Bearpaw, Sperry and Dr. Martens, as well as company-owned and licensed brands including, among others, Blowfish Malibu, LifeStride, Dr. Scholl's Shoes, Naturalizer, Rykä, Zodiac, Circus by Sam Edelman and Franco Sarto. Our company-owned and licensed products are sold to our Famous Footwear segment by our Brand Portfolio segment at a profit and represent approximately 5% of the Famous Footwear segment's net sales. We work closely with our vendors to provide consumers with fresh product and, in some cases, product exclusively designed for and available only at Famous Footwear. Famous Footwear's retail price points typically range from $20 for shoes up to $260 for boots. We believe we have strong relationships with our significant branded footwear suppliers, but the loss of any one or more suppliers could have a material impact on our Famous Footwear segment and the Company.

Famousfootwear.com and famousfootwear.ca offer an expansive product assortment, beyond what is sold in our retail stores. Accessible via desktop, tablet and mobile devices, these e-commerce websites help consumers explore product assortments, including items available in local stores, and make purchases. Many of our consumers buy online and pick up product in their local store through Famously Fast Pickup or curbside. Orders are typically ready within an hour through this convenient service. Our retail store locations also fulfill approximately half of all e-commerce orders not picked up in the store. Leveraging our brick and mortar store inventory reduces delivery times, driving an enhanced consumer experience. We continue to enhance our digital technology and e-commerce platform, as well as add new features to the Famous Footwear Rewards mobile application to deliver a superior experience for our customers who visit Famous Footwear on a mobile device.

Famous Footwear also has an extensive customer loyalty program, Famously You Rewards ("Rewards"), which informs and rewards members with free shipping and bonus points for online purchases, product previews, earned incentives based upon purchase continuity and other periodic promotional offers. Our e-commerce websites allow members of Rewards to view their points status and purchase history, manage profile settings and engage further with the brand. Famous Footwear's mobile app also serves as a hub for Rewards members to shop, find local stores, redeem Rewards certificates and learn about the newest products, latest trends and hottest deals.

Our Famous Footwear stores are located in strip shopping centers as well as outlet and regional malls in 49 states, Canada and Guam. The breakdown by venue at the end of each of the last three fiscal years is as follows:

	2021	2020	2019
Strip centers	**582**	600	624
Outlet malls	**175**	175	177
Regional malls	**137**	141	148
Total	**894**	916	949

We expect to open approximately 20 new stores and close approximately 30 stores in 2022, as we continue to align our real estate and e-commerce strategies. New stores typically experience an initial start-up period characterized by lower sales and operating earnings than what is generally achieved by more mature stores. While the duration of this start-up period may vary by type of store, economic environment and geographic location, new stores typically reach a normal level of profitability within approximately four years.

Famous Footwear relies on merchandise allocation systems and processes that use allocation criteria, consumer segmentation and inventory data in an effort to ensure stores are adequately stocked with product and to differentiate the needs of each store based on location, consumer segmentation and other factors. Famous Footwear's distribution systems allow for merchandise to be delivered to each store weekly, or on a more frequent basis, as needed. Famous Footwear also uses regional third-party pooled distribution sites across the country.

Famous Footwear's marketing programs include e-commerce advertising, digital marketing and social media, direct mail and in-store advertisements, all of which are designed to further develop and reinforce the Famous Footwear concept and strengthen our connection with consumers. We believe the success of our marketing campaigns is attributable to highlighting key categories and tailoring the timing of such messaging to adapt to seasonal shopping patterns. In 2021, we spent approximately $59.5 million to advertise and market Famous Footwear to our target consumers, a portion of which was recovered from suppliers.

BRAND PORTFOLIO

Our Brand Portfolio segment offers retailers and consumers a portfolio of leading brands by designing, developing, sourcing, manufacturing, marketing and distributing branded footwear for women, men and children at a variety of price points. Certain of our branded footwear products are sold under brand names that are owned by the Company and others are developed pursuant to licensing agreements. Our Brand Portfolio segment sells footwear on a wholesale basis to retailers. The segment also sells footwear on a direct-to-consumer basis through our branded retail stores and e-commerce businesses.

Portfolio of Brands

The following is a listing of our principal brands and licensed products:

Sam Edelman: Since 2004, Sam Edelman has been synonymous with aspirational luxury and irreverent, trend-on style. Inspired by timeless American elegance, designer Sam Edelman's innate understanding of the customer translates conceptually into a modern lifestyle informed by rich heritage, creativity and innovation. Beyond its iconic footwear, Sam Edelman offers an ever-expanding range of product categories to fit the customer's lifestyle including dresses, fragrance, outerwear, denim, handbags, small leather-goods, sunglasses and children's shoes. The full range of Sam Edelman product is sold through Sam Edelman retail stores and online at samedelman.com, in addition to department stores, national chains and independent retailers around the world at suggested retail price points from $100 to $300.

Vionic: In October 2018, we acquired Vionic to expand our access to the growing contemporary comfort footwear category. Vionic brings together style and science, combining innovative biomechanics with the most coveted trends. Bridging the fashion gap with supportive and stylish offerings, Vionic designs its innovative Three-Zone Comfort footbed technology into every shoe it makes, delivering podiatrist-developed stability, cushioning and the ultimate in arch support. As pioneers in foot health with a global team of wellness experts behind the brand, Vionic brings a fresh perspective to "feel great, look great" footwear that champions more vibrant lifestyles for women and men. Featuring a wide range of silhouettes, premium materials and thoughtful design for women and men, Vionic offers the style you want with the comfort you crave across a vast selection of fashion sneakers, casual and dress options, all-weather boots, sandals and slippers. The brand is sold online, through independent retailers, television, department stores, national chains and specialty retailers for suggested retail price points from $40 for shoes to $250 for boots.

Naturalizer: Since 1927, Naturalizer has crafted beautiful and modern styles that look and feel exceptional, inside and out. Our legendary emphasis on fit and elegant simplicity launched a brand that became known as "the shoe with the beautiful fit." Our Naturalizer brand is sold primarily at national chains, online retailers, online at naturalizer.com and naturalizer.ca, department stores, independent retailers and its two flagship retail stores. Naturalizer footwear is also distributed through wholesale partners in 37 countries around the world and approximately 47 retail stores. Suggested retail price points range from $69 for shoes to $240 for boots.

Blowfish Malibu: In July 2018, we acquired a controlling interest in Blowfish Malibu and in November 2021, we acquired the remaining interest. Blowfish Malibu, which was founded in 2005, designs and sells women's and children's footwear that captures the fresh youthful spirit and casual living that is distinctively Southern California. The brand is sold at national chains, our Famous Footwear stores and independent retailers. Suggested retail price points range from $35 for shoes to $90 for boots.

Dr. Scholl's Shoes: Inspired by its founder Dr. William Scholl, Dr. Scholl's Shoes remains forever passionate about creating iconic, effortless footwear for a healthy life. This footwear reaches consumers at a wide range of distribution channels including national chains, department stores, mass merchandisers, online, including drschollshoes.com, our Famous Footwear retail stores and independent retailers. Suggested price points range from $50 for shoes to $190 for boots. We have a long-term license agreement to sell Dr. Scholl's Shoes, which is renewable through December 2026 for sales in the United States, Canada and Latin America.

Allen Edmonds: In 2016, we acquired Allen Edmonds to increase our penetration in men's footwear. Allen Edmonds, founded in 1922, is a U.S.-based direct-to-consumer and wholesaler of premium men's footwear, apparel, leather goods and accessories with a strong manufacturing heritage. Allen Edmonds products are available at our 61 Allen Edmonds stores in the United States, online at allenedmonds.com and at select retailers worldwide at suggested retail price points from $245 for shoes to $495 for boots.

LifeStride: For more than 70 years, LifeStride has created quality footwear for women who value both style and all-day comfort. The brand is sold in national chains, our Famous Footwear retail stores, online, including lifestride.com and department stores at suggested retail price points ranging from $60 for shoes to $130 for boots.

Franco Sarto: The Franco Sarto brand embodies timeless, wearable style inspired by the craft and design of Italian footwear. The brand is sold in major national chains, online, including francosarto.com, department stores, specialty retailers, our Famous Footwear retail stores and independent retailers at suggested retail price points from $89 for shoes to $280 for boots.

Rykä: For over 30 years, Rykä has been innovating athletic footwear exclusively for women. The brand is distributed through national chains, online retailers, including ryka.com, independent retailers, department stores, specialty retailers and our Famous Footwear retail stores at suggested retail price points from $80 to $145.

Vince: The Vince women's shoe collection launched in 2012 and was expanded in 2014 to include the Vince men's footwear collection. The brand is primarily sold in premier department stores, online, national chains and specialty retailers at suggested price points from $195 for shoes to $695 for boots. We have a license agreement with Vince, LLC to sell Vince footwear through January 2025.

Bzees: Bzees is a comfort brand of machine washable women's footwear designed to make you feel weightless, energized and free. The brand is distributed through national chains, department stores, online retailers including bzees.com, independent retailers, specialty retailers and our Famous Footwear retail stores at suggested retail price points from $80 for shoes to $130 for boots.

Zodiac: The Zodiac brand was launched in the late 1970s and acquired by us in 2005. In July 2019, we initiated a brand refresh by blending the past with the present to provide authentic, quality footwear that is supremely relevant for today's modern and expressive consumer lifestyles. The brand relaunched in 2020 and Zodiac is now available at major national chains, online retailers, including zodiacshoes.com, and our Famous Footwear retail stores at suggested retail price points ranging from $69 for sandals to $149 for boots.

Veronica Beard: In 2020, we began an exclusive partnership with the American ready-to-wear brand, Veronica Beard, to produce the women's footwear collection. The Veronica Beard collection includes styles that strike the balance between cool and classic, taking the consumer from day to night and work to weekend. The brand is distributed through domestic wholesale partners carrying Veronica Beard ready-to-wear and independent footwear retailers at suggested retail price points ranging from $295 for shoes to $450 for boots. We have a license agreement to produce footwear through December 2024.

Wholesale

Within our Brand Portfolio segment, our brands are distributed on a wholesale basis to approximately 5,100 retailers, including online retailers, national chains, department stores, mass merchandisers and independent retailers throughout the United States and Canada, as well as approximately 72 other countries (including sales to our retail operations). Our most significant wholesale customers include Famous Footwear and many of the nation's largest retailers, including online retailers such as Amazon.com, Nordstrom.com, Macys.com and Zappos.com; national chains such as DSW, TJX Corporation (including TJ Maxx and Marshalls), Nordstrom Rack, Ross Stores and Kohl's; department stores such as Nordstrom, Macy's and Dillard's; mass merchandisers such as Walmart; and independent retailers such as Qurate Retail Group, which operates QVC, Home Shopping Network and Zulily. Many of these wholesale customers also sell our products through their own websites, in addition to their retail store network. In these arrangements, orders are typically fulfilled on a drop ship basis from our logistics network. We also sell product to a variety of international retail customers and distributors. The loss of any one or more of our significant customers or brands could have a material impact on our Brand Portfolio segment and the Company.

Our Brand Portfolio segment sold approximately 38 million pairs of shoes on a wholesale basis during 2021. We sell footwear to wholesale customers on both a landed and a first-cost basis. Landed sales are those in which we obtain title to the footwear from our overseas suppliers and maintain title until the footwear clears United States customs and is shipped to our wholesale customers. Landed sales generally carry a higher profit rate than first-cost sales as a result of the brand equity associated with the product along with the additional customs, warehousing and logistics services provided to customers and the risks associated with inventory ownership. To allow for the prompt shipment of reorders and to satisfy our growing e-commerce demand, we carry inventories of certain styles. First-cost sales are those in which we obtain title to footwear from our overseas suppliers and typically relinquish title to customers at a designated overseas port. Many of these customers then import this product into the United States.

Products sold under license agreements accounted for approximately 13% of the sales of the Brand Portfolio segment in 2021, 15% of the segment's sales in 2020 and 16% of the segment's sales in 2019. Caleres also receives license revenue from third parties related to certain owned brands, for use in connection with other brand-enhancing non-footwear product categories.

Direct-to-Consumer

Our Brand Portfolio segment includes the operation of several e-commerce websites, including naturalizer.com, naturalizer.ca, vionicshoes.com, samedelman.com, allenedmonds.com, drschollsshoes.com, lifestride.com, francosarto.com, ryka.com, bzees.com and zodiacshoes.com, which offer substantially the same product selection to consumers as we sell to our wholesale customers. Vince.com, blowfishshoes.com, and veronicabeard.com complement our distribution of those brands. References to our website addresses do not constitute incorporation by reference of the information contained on the websites and the information contained on the websites is not part of this report.

We also operate retail stores for certain brands, including Allen Edmonds, Sam Edelman and Naturalizer. The number of our Brand Portfolio retail stores at the end of the last three fiscal years was as follows:

	2021	2020	2019
Allen Edmonds	**61**	69	74
Sam Edelman	**23**	21	15
Naturalizer	**2**	80	139
Total	**86**	170	228

At the end of 2021, we operated 61 Allen Edmonds stores in the United States, each averaging approximately 1,500 square feet. We expect to close approximately five Allen Edmonds stores in 2022, as we continue to align our real estate and e-commerce strategies. We operated seven Sam Edelman stores in the United States and 16 in China at the end of 2021, each averaging approximately 2,300 square feet. After closing the majority of our Naturalizer retail stores at the beginning of 2021, we ended the year with two flagship Naturalizer stores in the United States. We anticipate expanding our Sam Edelman and Naturalizer presence in China in 2022 with the opening of approximately 14 Sam Edelman stores and two Naturalizer stores.

Marketing

We continue to build on the recognition of our portfolio of brands to create differentiation and consumer loyalty. Our marketing teams are responsible for the development and implementation of innovative marketing programs that serve the consumer facing needs of our portfolio of brands as well as that of our retail partners. In 2021, we spent approximately $50.2 million in advertising and marketing support for our Brand Portfolio segment, including digital marketing and social media, consumer media advertising, print, production, product placement, trade shows and in-store displays. The marketing teams are also responsible for driving the development of branding and content for our brand websites. We continually focus on enhancing the effectiveness of these marketing efforts through consumer insights, market research, product development and marketing communications that collectively address the ever-changing lives and needs of our consumers. Our marketing teams are instrumental in continuing to drive growth in e-commerce sales, producing relevant and purpose-driven brand positioning and creating meaningful connections with consumers that have increased awareness and loyalty across our portfolio. We continue to leverage consumer insights and data to inform marketing initiatives to capture a greater share of our target consumers' spend as well as reach new audiences with a high propensity to purchase our products.

Product Development, Sourcing and Manufacturing Operations
We develop and source footwear for our Brand Portfolio segment. We have sourcing and product development offices in Clayton, Missouri; Dongguan, China; Putian, China; San Rafael and Culver City, California; New York, New York; Port Washington, Wisconsin; Florence, Italy; Macau; Ho Chi Minh City, Vietnam and Hong Kong. In addition, we have manufacturing facilities in Port Washington, Wisconsin and Santiago, Dominican Republic that manufacture our Allen Edmonds footwear.

Product Development Operations
We maintain design and product development teams for our brands in Clayton, Missouri; Dongguan, China; Putian, China; San Rafael, California; New York, New York; Port Washington, Wisconsin and Culver City, California, as well as other select fashion locations, including Florence, Italy. These teams, which include independent designers, are responsible for the creation and development of new product styles. Our designers monitor trends in fashion footwear and apparel and work closely with retailers to identify consumer footwear preferences. Our design teams create collections of footwear, and our sourcing and product development offices convert those designs into new footwear styles. We operate a sample-making facility in Dongguan, China that allows us to have greater control over our product development in terms of accuracy, execution and speed-to-market. Our long-range plans include further expansion into new markets outside of China, particularly those in Vietnam, growing our use of 3D design technology in developing new product, and continuing to drive excellence in product value and execution in a rapidly changing manufacturing landscape. Our distribution center campus in Chino, California, which opened in 2018, provides additional shipping flexibility, operational efficiencies and an expansion of our logistics infrastructure capacity.

Sourcing Operations
In 2021, the sourcing operations sourced approximately 40 million pairs of shoes through a global network of third-party independent footwear manufacturers. The majority of our footwear sourced is provided by approximately 66 manufacturers operating approximately 120 manufacturing facilities. In certain countries, we use agents to facilitate and manage the development, production and shipment of product. We attribute our ability to achieve consistent quality, competitive prices and on-time delivery to the breadth of these established relationships, as well as steps we have taken to digitize many aspects of our end-to-end supply chain processes to enable mutually beneficial workload efficiency, visibility and agility. While we generally do not have significant contractual commitments with our suppliers, we do enter into sourcing agreements with certain independent sourcing agents. Prior to production, we monitor the quality of all of our footwear components and also inspect the prototypes of each footwear style.

The following table provides an overview of our sourcing by country in 2021:

Country	**Millions of Pairs**
China	30.6
Vietnam	6.9
India	0.9
Other	1.6
Total	40.0

Manufacturing
While we source the majority of our footwear from independent footwear manufacturers as discussed above, we also maintain and operate manufacturing facilities in Port Washington, Wisconsin and Santiago, Dominican Republic. These facilities manufacture footwear and certain accessories for our Allen Edmonds brand. We believe operating our own manufacturing facilities in North America provides us with greater control over the quality and craftsmanship that are essential to the iconic Allen Edmonds brand. In addition, our Port Washington facility serves our recrafting operations, which allows the Allen Edmonds consumer to extend the life of their footwear, restoring their shoes to nearly their original state.

Backlog
At January 29, 2022, our Brand Portfolio segment had a backlog of unfilled wholesale orders of approximately $452.4 million, compared to $218.2 million on January 30, 2021. Most orders are for delivery within the next 90 to 120 days. Orders are subject to cancellation; however, with the exception of the cancellations we experienced in 2020 associated with the impact of the COVID-19 pandemic on our wholesale partners, we have not experienced significant cancellations of orders. The increase in our backlog order levels reflects the delayed receipt of inventory due to global supply chain disruptions and higher demand. Depending on the timing of receipt of this inventory, certain customers may request price concessions or choose to cancel their orders.

The backlog at any particular time is affected by a number of factors, including supply chain disruptions as mentioned previously, seasonality and capacity shifts at international manufacturers. We are actively working to diversify and leverage our sourcing model to help offset the impact of the supply chain challenges, but expect the disruptions to continue into 2022. Accordingly, a comparison of backlog from period to period may not be indicative of eventual actual shipments or the growth rate of sales from one period to the next.

AVAILABLE INFORMATION

Our Internet address is www.caleres.com. Our Internet address is included in this annual report on Form 10-K as an inactive textual reference only. The information contained on our website is not incorporated by reference into this annual report on Form 10-K and should not be considered part of this report. We file annual, quarterly and current reports, proxy statements and other information with the SEC. We make available free of charge our annual report on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K and amendments to those reports filed or furnished, as required by Section 13(a) or 15(d) of the Securities Exchange Act of 1934, through our Internet website as soon as reasonably practicable after we electronically file such material with or furnish it to the SEC. You may access these SEC filings via the hyperlink to a third-party SEC filings website that we provide on our website.

INFORMATION ABOUT OUR EXECUTIVE OFFICERS

The following is a list of the names and ages of the executive officers of the Company and of the offices held by each person. There is no family relationship between any of the named persons. The terms of the following executive officers will expire in May 2022 or upon their respective successors being chosen and qualified.

Name	Age	Current Position
Diane M. Sullivan	66	Chief Executive Officer and Chairman of the Board of Directors
John W. Schmidt	61	President
Thomas C. Burke	54	Vice President, General Counsel and Secretary
Michael R. Edwards	51	Division President – Famous Footwear
Daniel R. Friedman	61	Chief Sourcing Officer
Kenneth H. Hannah	53	Senior Vice President, Chief Financial Officer
Todd E. Hasty	49	Senior Vice President, Chief Accounting Officer
Willis D. Hill	50	Senior Vice President, Chief Information Officer
Douglas W. Koch	70	Senior Vice President, Strategic Projects
Jennifer S. Olsen	52	Chief Marketing Officer
Mark A. Schmitt	58	Senior Vice President, Chief Logistics Officer

The period of service of each officer in the positions listed and other business experience are set forth below.

Diane M. Sullivan, Chief Executive Officer and Chairman of the Board of Directors since February 2014. President and Chief Executive Officer from May 2011 to November 2020. President and Chief Operating Officer from March 2006 to May 2011. President from January 2004 to March 2006.

John W. Schmidt, President since December 2020. Division President – Brand Portfolio from October 2015 to December 2020. Division President – Contemporary Fashion Brands from January 2011 to September 2015. Senior Vice President, Better and Image Brands from January 2010 to January 2011. Senior Vice President and General Manager, Better and Image Brands from March 2008 until January 2010. Various positions, including Vice President, President, Group President of Wholesale Footwear for Nine West Group from September 1998 to February 2008.

Thomas C. Burke, Vice President, General Counsel and Secretary since August 2016. Vice President, Legal from December 2015 to August 2016. Deputy General Counsel from March 2012 to December 2015. Various positions at the Company, including Associate General Counsel and Director, Talent Management, from March 2001 to March 2012.

Michael R. Edwards, Division President – Famous Footwear since November 2020. Senior Vice President, Digital Commerce, Planning, Allocation and Stores from February 2018 to November 2020. Chief Customer Officer from September 2017 to February 2018. Senior Vice President, Planning, Allocation and Analytics from December 2016 to September 2017. Vice President, Planning and Allocation from May 2015 to December 2016. Vice President, Merchandising and Sales Operations from October 2011 to May 2015.

Daniel R. Friedman, Division President – Global Supply Chain since January 2010. Senior Vice President, Product Development and Sourcing from July 2006 to January 2010. Managing Director at Camuto Group, Inc. from 2002 to July 2006.

Kenneth H. Hannah, Senior Vice President, Chief Financial Officer since February 2015. Executive Vice President and Chief Financial Officer of JC Penney Company, Inc. from May 2012 to March 2014. Executive Vice President and President–Solar Energy of MEMC Electronic Materials, Inc. and had previously served as Executive Vice President and President–Solar Materials from 2009 to 2012. Senior Vice President and Chief Financial Officer of MEMC Electronic Materials, Inc. from 2006 to 2009.

Todd E. Hasty, Senior Vice President, Chief Accounting Officer since January 2020. Vice President, Chief Accounting Officer from March 2019 to January 2020. Vice President, Controller from March 2016 to March 2019. Vice President, Assistant Controller from October 2007 to March 2016.

Willis D. Hill, Senior Vice President, Chief Information Officer since September 2018. Senior Vice President and Chief Technology Officer from August 2017 to September 2018. Senior Vice President, Information Technology from January 2017 to August 2017. Vice President, Retail Information Technology from July 2011 to January 2017. Director, Retail Information Technology from July 2008 to July 2011.

Douglas W. Koch, Senior Vice President, Strategic Projects since September 2019. Senior Vice President and Chief Human Resources Officer from January 2016 to September 2019. Senior Vice President and Chief Talent and Strategy Officer from January 2011 to January 2016. Senior Vice President and Chief Talent Officer from May 2005 to January 2011. Senior Vice President, Human Resources from March 2002 to May 2005.

Jennifer S. Olsen, Chief Marketing Officer since June 2021. Chief Marketing Officer, UNTUCKit from January 2018 to June 2021. Various consulting roles from June 2015 to January 2018. Vice President, Media Marketing, Yahoo from June 2014 to June 2015. Chief Marketing Officer, Stich Fix from September 2013 to March 2014. Chief Marketing Officer, Crate & Barrel from May 2011 to August 2013. Various marketing roles at Gap, Inc. from 2001 to 2011 including Vice President, Marketing, Piperlime.

Mark A. Schmitt, Senior Vice President, Chief Logistics Officer since September 2018. Senior Vice President, Chief Information Officer and Logistics from February 2013 to September 2018. Senior Vice President and Chief Information Officer from January 2012 through February 2013. Senior Director of Management Information Systems for Express Scripts from 2010 through 2011. Various management information systems positions including Group Director with Anheuser-Busch InBev from 1996 to 2009.

ITEM 1A RISK FACTORS

An investment in our common stock involves certain risks and uncertainties. In addition to other information in this Form 10-K, the following risk factors should be considered. Additional risks and uncertainties of which we are currently unaware could also have a material adverse effect on our business and financial conditions.

MACROECONOMIC AND INDUSTRY RISKS

Supply chain disruptions and inflationary pressures may adversely impact our gross margin and earnings.
During 2021, we experienced supply chain disruptions and port congestion, which led to delays in the receipt of inventory and significantly higher freight costs. Our in-transit inventory, which is not yet available to sell, has risen significantly as compared to historical levels. Depending on the timing of receipt of this inventory, certain customers may request price concessions or choose to cancel their orders altogether, which may adversely impact sales or gross margins. If we are unable to sell this in-transit inventory as planned, we may have to liquidate it through other less profitable channels, which may result in lower gross margins on those products. We have also experienced inflationary pressures, including product and labor costs. The extent and duration of these supply chain disruptions and inflationary cost pressures are uncertain and may limit our ability to meet incremental consumer demand, potentially impacting our net sales. In addition, the existing union contract between the United States west coast port operators, Pacific Maritime Association and International Longshore and Warehouse Union, expires on June 30, 2022. The vast majority of our products pass through the west coast ports and any slowdown or stoppage relating to these labor agreement negotiations may further delay the receipt of inventory or increase costs. While we are actively working to mitigate the supply chain disruptions and cost pressures we are experiencing, including recovering our increased costs through price increases, there is no guarantee that we will be successful doing so.

The coronavirus pandemic continues to impact our business operations and financial condition.
The coronavirus ("COVID-19") pandemic, both in the U.S. and globally, continues to evolve and is unpredictable. The pandemic has resulted in government and private sector responsive actions around the world, including restrictions on large gatherings of people, travel bans, border closings and restrictions, vaccine mandates, business closures or reduced hours, and delays in the workforce returning to the office. While consumer demand rebounded in 2021 and we experienced significant growth in net sales and earnings, the COVID-19 pandemic continues to impact our business operations. It is impossible to predict the effect and ultimate impact of COVID-19 and the impact on the economy, the retail industry and the Company. The extent to which COVID-19 will continue to impact our results will depend on future developments, which are highly uncertain and cannot be predicted, including the emergence of additional variants. A continuation of the health crisis may have a material impact on the retail sector, consumer demand, and the Company's results of operations and financial condition. The long-term economic impact of the pandemic and changes in consumer demand for our products cannot be reasonably predicted.

Consumer demand for our products may be adversely impacted by economic conditions and other factors.
Worldwide economic conditions continue to be uncertain. Consumer confidence and spending are strongly influenced by general economic conditions and other factors, including the pandemic, inflation, fiscal policy, the changing tax and regulatory environment, interest rates, minimum wage rates and regulations, consumer debt levels, the availability of consumer credit, the liquidity of consumers' assets, health care costs, currency exchange rates, taxation, energy costs, real estate values, foreclosure rates, unemployment trends, weather conditions and the economic consequences of military action or terrorist activities, such as the current tensions in Eastern Europe and the potential impact of sanctions on the domestic and global economy. Consumer sentiment, including a preference for products made in the United States, may be impacted by the war in Eastern Europe, which may impact demand for our products that are sourced internationally. Negative economic conditions generally decrease disposable income and, consequently, consumer purchases of discretionary items like our products. Negative trends in economic conditions, such as the supply chain disruptions and inflationary pressures experienced during 2021, could also drive up the cost of our products. We began implementing price increases at the end of 2021 and additional inflationary pressures may require us to increase our product prices further. These increases in our product costs and prices may not be offset by comparable increases in consumer disposable income. As a result, our customers may choose to purchase fewer of our products or purchase the lower priced products of our competitors, and our business, results of operations, financial condition and cash flows could be adversely affected.

If we are unable to anticipate and respond to consumer preferences and fashion trends and successfully apply new technology, we may not be able to maintain or increase our net sales and earnings.

The footwear industry is subject to rapidly changing consumer shopping preferences and patterns and fashion trends. Our products must appeal to a broad range of consumers whose preferences cannot be predicted with certainty and are subject to rapid change. In addition, the continued consumer shift to online and mobile shopping has required retailers to lower shipping costs charged to customers, improve shipping speeds and optimize mobile platforms. The trend toward online and mobile shopping has also increased the volume of smaller shipments, including single-pair shipments, from our warehouses. The increased volume of smaller shipments has resulted in higher average distribution costs, including both shipping and processing costs incurred at our distribution centers. In addition, an increase in e-commerce sales volume, which have higher return rates than in-store sales, may in turn lead to higher shipping and processing costs. The success of both our wholesale and retail operations depends largely on our ability to anticipate, understand and react to these changing consumer shopping patterns. If we fail to respond to changes in consumer shopping patterns, demands and fashion trends, develop new products and designs, and implement effective, responsive merchandising and distribution strategies and programs, we could experience lower sales, excess inventories and lower gross margins, any of which could have an adverse effect on our results of operations and financial condition.

Customer concentration and other trends in customer behavior may lead to a reduction in or loss of sales.

Our wholesale customers include e-commerce retailers, national chains, department stores, mass merchandisers and independent retailers. Several of our customers operate multiple department store divisions. Furthermore, we often sell multiple types of branded, licensed and private-label footwear to these same customers. While we believe purchasing decisions in many cases are made independently by the buyers and merchandisers of each of the customers, a decision by a significant customer to decrease the amount of footwear products purchased from us could have a material adverse effect on our business, financial condition or results of operations.

In addition, with the growing trend toward retail trade consolidation, including store count reductions at major retail chains, and consumers' continued shift to online shopping, we and our wholesale customers increasingly depend upon a reduced number of key retailers whose bargaining strength is growing. This consolidation may result in the following adverse consequences:

- Our wholesale customers may seek more favorable terms for their purchases of our products, which could limit our ability to raise prices, recoup cost increases or achieve our profit goals.
- The number of stores that carry our products could decline, thereby exposing us to a greater concentration of accounts receivable risk and negatively impacting our brand visibility.

We also face the following risks with respect to our customers:

- Our customers could develop in-house brands or use a higher mix of private-label footwear products, which may negatively impact our sales.
- As we sell our products to customers and extend credit based on an evaluation of each customer's financial condition, the financial difficulties, including bankruptcy, of a customer could cause us to stop doing business with that customer, reduce our business with that customer or be unable to collect from that customer.
- Since we transact primarily in United States dollars, our international customers could purchase from competitors who will transact business in their local currency.
- Certain of our major wholesale customers have experienced a significant downturn or disruption in their business. If our customers continue to experience significant downturns or disruptions in their business, or file for bankruptcy, they may reduce their purchases of our products.
- Retailers are directly sourcing more of their products directly from international manufacturers and reducing their reliance on wholesalers, which could have a material adverse effect on our business and results of operations.

We operate in a highly competitive industry.

Competition is intense in the footwear industry. There has also been consolidation of competitors in the industry, resulting in certain competitors that are larger and have greater financial, marketing and technological resources than we do. In addition, a move toward vertical integration by our competitors could create additional competitive pressures that may decrease our market share. Other competitors are able to offer footwear on a lateral basis alongside their apparel products, or have successfully branded their trademarks as lifestyle brands, resulting in greater competitive advantages. Low barriers to entry into this industry further intensify competition by allowing new companies to easily enter the markets in which we compete. Some of our suppliers further compound these competitive pressures by allowing consumers to purchase their products directly through supplier-maintained e-commerce sites and retail stores. The Internet facilitates price transparency and comparison shopping, which increases the level of competition we face and puts competitive pressure on us to keep our prices low.

We believe that our ability to compete successfully in the footwear industry depends on a number of factors, including style, price, performance, quality, location and service, as well as the strength of our brand names. We remain competitive by increasing awareness of our brands, improving the efficiency of our supply chain and enhancing the style, comfort, fashion and perceived value of our products. However, our competitors may implement more effective marketing campaigns, adopt more aggressive pricing policies, make more attractive offers to potential employees, distribution partners and manufacturers, or respond more quickly to changes in consumer preferences than us. As a result, we may not be able to compete successfully in the future, and increased competition may result in price reductions, reduced gross margins, loss of market share and an inability to generate cash flows that are sufficient to maintain or expand the development and marketing of our products, which could adversely impact our financial results.

Our quarterly sales and earnings may fluctuate, which may result in volatility in, or a decline in, our stock price.
Our quarterly sales and earnings can vary due to a number of factors, many of which are beyond our control, including the following:

- The pandemic has impacted the global economy. Sales and earnings may continue to be impacted, particularly as a result of the ongoing supply chain disruptions.
- Our Famous Footwear retail business is seasonally weighted to the back-to-school season, which primarily falls in our third fiscal quarter. As a result, the success of our back-to-school offering, which is affected by our ability to anticipate consumer demand and fashion trends, could have a disproportionate impact on our full year results.
- In our wholesale business, sales of footwear are dependent on orders from our major customers, and they may change delivery schedules, change the mix of products they order or cancel orders without penalty. Our in-transit inventory in 2021 rose significantly as a result of the supply chain disruptions. Depending on the timing of receipt of this inventory, certain customers may request price concessions or choose to cancel their orders.
- Our wholesale customers have been moving toward lower initial orders and more replenishment orders, which may result in shifts of sales between quarters.
- Our estimated annual tax rate is based on projections of our domestic and international operating results for the year, which we review and revise as necessary each quarter.
- Our earnings are also sensitive to a number of factors that are beyond our control, including manufacturing and transportation costs, changes in product sales mix, geographic sales trends, weather conditions, consumer sentiment and currency exchange rate fluctuations.

As a result of these specific and other general factors, our operating results will vary from quarter to quarter and the results for any particular quarter may not be indicative of results for the full year. Any shortfall in sales or earnings from the levels expected by investors could cause a decrease in the trading price of our common stock.

Certain branded suppliers are becoming more selective. The loss of one or more of our major branded suppliers may adversely impact our business, results of operations, financial condition and cash flows.
Our Famous Footwear segment purchases a substantial portion of its footwear products from major branded suppliers. Products purchased from three key third-party suppliers (Nike, Skechers and adidas) represented approximately 26% of consolidated net sales. As is common in the industry, we do not have any long-term contracts with our suppliers. In addition, the success of our financial performance is dependent on the ability of our Famous Footwear segment to obtain products from our suppliers on a timely basis and on acceptable terms. While we believe we have positive working

relationships with our current suppliers, the loss of any of our major suppliers or product developed exclusively for our Famous Footwear stores could have a material adverse effect on our business, financial condition and results of operations. In addition, negative trends in global economic conditions, including the impact of political tensions and military action in Eastern Europe and Eastern Asia and the impact of COVID-19 in Southeast Asia, may adversely impact our suppliers. If these third parties do not perform their obligations or are unable to provide us with the materials and services we need at prices and terms that are acceptable to us, our ability to meet our consumers' demand could be adversely affected.

Foreign currency fluctuations may result in higher costs and decreased gross profits.
Although we purchase most of our products from international manufacturers in United States dollars and otherwise may engage in foreign currency hedging transactions from time to time, we may experience cost variations with respect to exchange rate changes. Currency exchange rate fluctuations may also adversely impact third parties who manufacture the Company's products by making their purchases of raw materials or other production costs more expensive and more difficult to finance, resulting in higher prices and lower margins for the Company, its distributors and licensees.

OPERATIONAL RISKS

We rely primarily on international sources of production, which subjects our business to risks associated with international trade.
We rely primarily on international sourcing for our footwear products through third-party manufacturing facilities located outside the United States. As is common in the industry, we do not have any long-term contracts with our third-party international manufacturers. International sourcing is subject to numerous risks, including trade relations, work stoppages, transportation delays (including delays at international and domestic ports) and costs (including customs duties, quotas, tariffs, anti-dumping duties, safeguard measures, cargo restrictions or other trade restrictions), domestic and international political instability, foreign currency fluctuations, variable economic conditions, expropriation, nationalization, natural disasters, terrorist acts and military conflict, changes in governmental regulations (including the U.S. Foreign Corrupt Practices Act) and geo-political events, such as the current Russia-Ukraine crisis. We have recently experienced supply chain disruptions and port congestion, leading to delayed receipt of inventory in 2021. If supply chain disruptions continue, our financial results could be adversely impacted. In addition, the imposition of tariffs or other costs on imported products may result in an increase in product prices, which may in turn adversely impact our gross margins if we are unable to mitigate the impact of the costs. At the same time, potential changes in manufacturing preferences, including, but not limited to the following, pose additional risk and uncertainty:

- Manufacturing capacity may shift from footwear to other industries with manufacturing margins that are perceived to be higher.
- Some footwear manufacturers may face labor shortages as workers seek better wages and working conditions in other industries or locations.

As a result of these risks, there can be no assurance that we will not experience reductions in available production capacity, increases in our product costs, late deliveries or terminations of our supplier relationships. Furthermore, these sourcing risks are compounded by the lack of diversification in the geographic location of our international sourcing and manufacturing. Approximately 76% of the footwear we sourced in 2021 was from China. With the majority of our supply originating in China, a substantial portion of our supply could be at risk in the event of any significant negative development related to relations between United States and China.

Although we believe we could find alternative manufacturing sources for the products that we currently source from third-party manufacturing facilities in China or other countries, we may not be able to locate alternative manufacturers on terms as favorable as our current terms, including pricing, payment terms, manufacturing capacity, quality standards and lead times for delivery. In addition, there is substantial competition in the footwear industry for quality footwear manufacturers. Accordingly, our future results will partly depend on our ability to maintain positive working relationships with, and offer competitive terms to, our international manufacturers. If supply issues cause us to be unable to provide products consistent with our standards or manufacture our footwear in an efficient and cost-effective manner, our customers may cancel orders, refuse to accept deliveries or demand reductions in purchase prices, any of which could have a material adverse effect on our business and results of operations.

We are reliant upon our information technology systems, and any major disruption of these systems could adversely impact our ability to effectively operate our business.
Our computer network and systems are essential to all aspects of our operations, including design, pricing, production, accounting, reporting, forecasting, ordering, manufacturing, transportation, sales and distribution. Our ability to manage and maintain our inventory and to deliver products in a timely manner depends on these systems. With the continued growth in direct-to-consumer sales on our e-commerce sites, any system disruption may result in an adverse impact to our operations. If any of these systems fails to operate as expected, we experience problems with transitioning to upgraded or replacement systems, a breach in security occurs or a natural disaster interrupts system functions, we may experience delays in product fulfillment, reduced efficiency in our operations, or delays in reporting our financial results to investors, or we may be required to expend significant capital to correct the problem, which may have an adverse effect on our results of operations and financial condition.

A cybersecurity breach may adversely affect our sales and reputation.
We routinely possess sensitive consumer and associate information and periodically provide it to third parties for analysis, benefit distribution or compliance purposes. Additionally, as a result of the pandemic, a large portion of our Corporate employees have shifted to a hybrid work schedule and are working remotely, which may result in heightened cybersecurity risk. Remote working environments may be less secure and more susceptible to hacking attacks, including phishing and social engineering attempts. While we believe we have taken reasonable and appropriate steps to protect that information, hackers and data thieves operate sophisticated, large-scale attacks that could breach our information systems, despite ongoing security measures. In addition, we are required to comply with increasingly complex regulations designed to protect our business and personal data. Any breach of our network security, a third-party's network security or failure to comply with applicable regulations may result in (a) the loss of valuable business data and/or our consumers' or associates' personal information, (b) increased costs associated with implementing additional protections and processes, (c) a disruption of our business and a loss of sales, (d) negative media attention, (e) damage to our consumer and associate relationships and reputation, and (f) fines or lawsuits.

Our operating results depend on preparing accurate sales forecasts and properly managing our inventory levels.
Using sales forecasts, we place orders with manufacturers for some of our products prior to the time we receive all of our customers' orders to minimize purchasing costs, the time necessary to fill customer orders and the risk of non-delivery. We also maintain an inventory of certain products that we anticipate will be in greater demand. At the retail level, we place orders for products many months in advance of our key selling seasons. Adverse economic conditions and rapidly changing consumer preferences can make it difficult for us and our retail customers to accurately forecast product trends in order to match production with demand. If we fail to accurately assess consumer fashion tastes and the impact of economic factors on consumer spending or to effectively differentiate our retail and wholesale offerings, our inventory levels may exceed customer demand, resulting in inventory write-downs, higher carrying costs, lower gross margins or the sale of excess inventory at discounted prices, which could significantly impact our financial results. Conversely, if we underestimate consumer demand for our products or if our manufacturers fail to supply the quality products that we require in a timely manner, we may experience inventory shortages. Inventory shortages may delay shipments to customers (and possibly require us to offer discounts or costly expedited shipping), negatively impact retailer and distributor relationships, adversely impact our sales results and diminish brand awareness and loyalty. The COVID-19 pandemic resulted in lower sales during 2020, and lower sales projections. The future impact of the pandemic, including the emergence of any new variants, and its impact on consumer sentiment is difficult to estimate.

A disruption in the effective functioning of our distribution centers could adversely affect our ability to deliver inventory on a timely basis.
We currently use several leased distribution centers, which serve as the source of replenishment of inventory for our footwear stores and e-commerce websites operated by our Famous Footwear and Brand Portfolio segments and serve the wholesale operations of our Brand Portfolio segment. Our success depends on our ability to handle the rapid consumer shift to online shopping and single pair shipments, which requires significant capital to operate with a greater level of sophistication and automation, as well as higher processing and distribution costs. We may be unable to successfully manage, negotiate or renew our distribution center leases, or we may experience complications with respect to our distribution centers, such as substantial damage to, or destruction of, such facilities due to natural disasters or ineffective information technology systems. In such an event, our other distribution centers may not be able to support the resulting additional distribution demands and we may be unable to locate alternative persons or entities capable of fulfilling our

distribution needs, resulting in an adverse effect on our ability to deliver inventory on a timely basis. The effective operation of our distribution centers may also be impacted by wage inflation, labor shortages and disruptions to the supply chain.

Our success depends on our ability to retain senior management and recruit and retain other key associates.
Our success depends on our ability to attract, retain and motivate qualified management, administrative, product development and sales personnel to support existing operations and future growth. In addition, our ability to successfully integrate acquired businesses often depends on our ability to retain incumbent personnel, many of whom possess valuable institutional knowledge and operating experience. Competition for qualified personnel in the footwear industry is intense and we compete for these individuals with other companies that in many cases have superior financial and other resources. The loss of the services of any member of our senior management or key associates, the inability to attract and retain other qualified personnel or the inability to effectively transition positions could adversely affect the sales, design and production of our products as well as the implementation of our strategic initiatives.

Our retail business depends on our ability to secure affordable and desirable leased locations without creating a competitive concentration of stores.
The success of the retail business within our Famous Footwear and Brand Portfolio segments depends, in part, on our ability to secure affordable, long-term leases in desirable locations for our leased retail footwear stores and to secure renewals of such leases. As consumer shopping preferences have evolved, we continue to focus on opening stores in locations with a greater penetration of high-value consumers. No assurance can be given that we will be able to successfully negotiate lease renewals for existing stores or obtain acceptable terms for new stores in desirable locations. In addition, opening new stores in our existing markets may result in reduced net sales in existing stores as our stores become more concentrated in the markets we serve. As a result, the number of consumers and financial performance of individual stores may decline and the average sales per square foot at our stores may be reduced. Due to the changing retail landscape, we may want to reduce the number of retail store locations but may be unable to successfully exit lease agreements. This may result in impairments or lease termination charges that adversely impact our financial results.

Damage to our reputation or brands may negatively impact our business.
Our ability to maintain our reputation is integral to the success of our business. Failure to maintain quality merchandise and quality customer service may damage our reputation. The consumer’s perception of us, our stores and our brands, whether justified or not, could harm our reputation. Our success depends, in part, on our ability to keep existing consumers while also attracting new consumers and a damaged reputation will hinder that ability.

In addition, the increased use of social media by us and by our consumer has also increased the risk to our reputation. Negative commentary regarding us or the products we sell may be posted on social media at any time. Consumers value readily available information and may rely on negative commentary without regard to its accuracy. If we are unable to effectively manage social media, our reputation and consumer’s perception of our brands may be negatively impacted.

Our ESG initiatives may result in increased scrutiny from stakeholders or regulators with respect to our ESG goals and objectives. We may not be able to achieve our ESG goals within the timelines established, or at all. Failure to successfully achieve our established goals may damage our reputation, or the reputation of our brands. Our reputation may also be damaged if we do not act, or are perceived by our consumers to not act, responsibly with respect to our impact on the environment or other social or governance matters. Damage to our brands and reputation could have a material adverse effect on our business, results of operations, financial position and cash flow.

A significant portion of our Famous Footwear sales are dependent on our Famous Footwear loyalty program, Famously You Rewards ("Rewards"), and any decrease in sales from Rewards could have a material adverse impact on our sales.
Rewards is a customer loyalty program that drives sales and traffic for the Famous Footwear segment. Rewards members earn points toward savings certificates for qualifying purchases. Upon reaching specified point values, members are issued a savings certificate, which may be redeemed for purchases at Famous Footwear. Approximately 78% of our 2021 sales within the Famous Footwear segment were generated by our Rewards members. If our Rewards members do not continue to shop at Famous Footwear, our sales may be adversely affected.

Transitional challenges with acquisitions and divestitures could result in unexpected expenditures of time and resources.
As part of our business strategy, we periodically pursue acquisitions of other companies or businesses, as well as divestitures of our businesses, such as the exit of the vast majority of our Naturalizer retail locations in the first quarter of 2021. Although we review the records of acquisition candidates, the review may not reveal all existing or potential problems. As a result, we may not accurately assess the value of the business and may, accordingly, ultimately assume unknown adverse operating conditions and/or unanticipated expenses and liabilities related to the acquisition. Acquisitions may also cause us to incur debt, write-offs of goodwill or intangible assets if the business does not perform as well as expected and substantial amortization expenses associated with other intangible assets. We face the risk that the returns on acquisitions will not support the expenditures or indebtedness incurred to acquire or launch such businesses. We also face the risk that we will not be able to integrate acquisitions into our existing operations or divest our businesses effectively without substantial expense, delay or other operational or financial problems. Integration may be hindered by, among other things, differing procedures, including internal controls, business practices and technology systems. We may need to allocate more management resources to integration than we planned, which may adversely affect our ability to pursue other profitable activities.

TAX, LEGAL, AND REGULATORY RISKS

Changes in tax laws may result in increased volatility in our effective tax rates.
Our financial results are significantly impacted by the effective tax rates of both our domestic and international operations. Future changes in tax laws could materially impact our effective tax rate. Other factors, such as changes in the mix of earnings in countries with differing statutory tax rates, changes in permitted deductions, interpretations, policies and treaties and the outcome of income tax audits in various jurisdictions, may result in higher taxes, lower profitability and increased volatility in our financial results.

Our business, sales and brand value could be harmed by violations of labor, trade or other laws.
We focus on doing business with those suppliers who share our commitment to responsible business practices and the principles set forth in our Production Code of Conduct (the "PCOC"). By requiring our suppliers to comply with the PCOC, we encourage our suppliers to promote best practices and work toward continual improvement throughout their production operations. The PCOC sets forth standards for working conditions and other matters, including compliance with applicable labor practices, workplace environment and compliance with laws. Although we promote ethical business practices, we do not control our suppliers or their labor practices. A failure by any of our suppliers to adhere to these standards or laws could cause us to incur additional costs for our products or cause negative publicity and harm our business and reputation. We also require our suppliers to meet our standards for product safety, including compliance with applicable laws and standards with respect to safety issues, including lead content in paint. Failure by any of our suppliers to adhere to product safety standards could lead to a product recall, which may result in critical media coverage, harm our business and reputation, and cause us to incur additional costs.

In addition, if we, or our suppliers or international manufacturers, violate United States or international trade laws or regulations, we may be subject to additional duties, significant monetary penalties, the seizure and forfeiture of the products we are attempting to import or the loss of our import privileges. Possible violations of United States or international laws or regulations could include inadequate record keeping of our imported products, misstatements or errors as to the origin, classification, marketing or valuation of our imported products, fraudulent visas or labor violations. The effects of these factors could render our conduct of business in a particular country undesirable or impractical and have a negative impact on our operating results.

Our reputation and competitive position are dependent on our ability to license well-recognized brands, license our own brands under successful licensing arrangements and protect our intellectual property rights.
Licenses - Company as Licensee
Although we own most of our wholesale brands, we also rely on our ability to attract, retain and maintain good relationships with licensors that have strong, well-recognized brands and trade names. Our license agreements are generally for an initial term of two to four years, subject to renewal, and there can be no assurance that we will be able to renew these licenses. Even our longer-term or renewable licenses are typically dependent upon our ability to market and sell the licensed products at specified levels, and the failure to meet such levels may result in the termination or non-renewal of

such licenses. Furthermore, many of our license agreements require minimum royalty payments, and if we are unable to generate sufficient sales and profitability to cover these minimum royalty requirements, we may be required to make additional payments to the licensors that could have a material adverse effect on our business and results of operations. In addition, because certain of our license agreements are non-exclusive, new or existing competitors may obtain licenses with overlapping product or geographic terms, resulting in increased competition for a particular market.

Licenses - Company as Licensor
We have entered into numerous license agreements with respect to the brands and trade names that we own. While we have significant control over our licensees' products and advertising, we generally cannot control their operational and financial issues. If our licensees are not able to meet annual sales and royalty goals, obtain financing, manage their supply chain, control quality and maintain positive relationships with their customers, our business, results of operations and financial position may be adversely affected. While we would likely have the ability to terminate an underperforming license, it may be difficult and costly to locate an acceptable substitute distributor or licensee, and we may experience a disruption in our sales and brand visibility. In addition, although many of our license agreements prohibit the licensees from entering into licensing arrangements with certain of our competitors, they are generally not prohibited from offering, under other brands, the types of products covered by their license agreements with us.

Trademarks
We believe that our trademarks and trade names are important to our success and competitive position because our distinctive marks create a market for our products and distinguish our products from other products. We cannot, however, guarantee that we will be able to secure protection for our intellectual property in the future or that such protection will be adequate for future operations. Furthermore, we face the risk of ineffective protection of intellectual property rights in jurisdictions where we source and distribute our products, some of which do not protect intellectual property rights to the same extent as the United States. If we are unsuccessful in challenging a party's products on the basis of infringement of our intellectual property rights, continued sales of these products could adversely affect our sales, devalue our brands and result in a shift in consumer preference away from our products. We may face significant expenses and liability in connection with the protection of our intellectual property rights, and if we are unable to successfully protect our rights or resolve intellectual property conflicts with others, our business or financial condition could be adversely affected.

We are subject to periodic litigation and other regulatory proceedings, which could result in the unexpected expenditure of time and resources.
We are a defendant from time to time in lawsuits and regulatory actions (including environmental matters) relating to our business and to our past operations. Due to the inherent uncertainties of litigation and regulatory proceedings, we cannot accurately predict the ultimate outcome of any such proceedings. An unfavorable outcome could have a material adverse impact on our business, financial condition and results of operations. In addition, regardless of the outcome of any litigation or regulatory proceedings, such proceedings are expensive and will require that we devote substantial resources and executive time to defend, thereby diverting management's attention and resources that are needed to successfully run our business. See Item 3, *Legal Proceedings*, for further discussion of pending matters.

LIQUIDITY RISKS

Our business, results of operations, financial condition and cash flows could be adversely affected by the failure of financial institutions to fulfill their commitments under our Credit Agreement.
The Fifth Amendment to our Fourth Amended and Restated Credit Agreement (the "Credit Agreement"), which matures on October 5, 2026, is provided by a syndicate of financial institutions, with each institution agreeing severally (and not jointly) to make revolving credit loans to us in an aggregate amount of up to $500.0 million in accordance with the terms of the Credit Agreement. In addition, the Credit Agreement provides for an increase at the Company's option by up to $250.0 million. If one or more of the financial institutions participating in the Credit Agreement were to default on its obligation to fund its commitment, the portion of the facility provided by such defaulting financial institution may not be available to us. In addition, as of January 29, 2022, total borrowing availability under the Credit Agreement was $155.2 million. Failure to meet our debt covenants under the Credit Agreement may require the Company to seek waivers or amendments of the debt covenants, alternative or additional sources of financing or reduce expenditures.

ITEM 1B UNRESOLVED STAFF COMMENTS

There are no unresolved written comments that were received from the SEC staff 180 days or more before the end of our fiscal year relating to our periodic or current reports under the Securities Exchange Act of 1934, as amended.

ITEM 2 PROPERTIES

We own our principal executive, sales and administrative offices located in Clayton ("St. Louis"), Missouri.

Our retail operations, included in both our Famous Footwear and Brand Portfolio segments, are conducted throughout the United States, Canada, China and Guam and involve the operation of 980 retail stores, including 22 in Canada. All store locations, excluding our Perth, Ontario outlet center, are leased, with approximately 38% of them having renewal options. The footwear sold through our domestic wholesale business is primarily processed through our leased distribution centers in Chino, California and Lebanon, Tennessee.

The following table summarizes the location and general use of the Company's primary properties:

Location	Owned/Leased	Segment	Use
Clayton, Missouri	Owned	Famous Footwear and Brand Portfolio	Principal corporate, executive, sales and administrative offices
United States, Canada, China and Guam	Leased	Famous Footwear and Brand Portfolio	Retail operations
Chino, California (1)	Leased	Brand Portfolio	Distribution centers
Lebanon, Tennessee (2)	Leased	Famous Footwear and Brand Portfolio	Distribution center
Lebec, California (3)	Leased	Famous Footwear	Distribution center
New York, New York	Leased	Brand Portfolio	Office space and showrooms
Perth, Ontario (4)	Owned	Famous Footwear and Brand Portfolio	Distribution center and outlet center
San Rafael and Culver City, California	Leased	Brand Portfolio	Office space
Dongguan, China	Leased	Brand Portfolio	Office space and sample-making facility
Santiago, Dominican Republic	Leased	Brand Portfolio	Manufacturing facility
Port Washington, Wisconsin	Owned	Brand Portfolio	Manufacturing and recrafting facility and office space

(1) This campus includes two company-operated distribution centers with approximately 725,000 and 606,000 square feet at each respective location.
(2) This distribution center is approximately 540,000 square feet.
(3) This distribution center is approximately 350,000 square feet.
(4) This distribution center is approximately 150,000 square feet.

We also own a building in Denver, Colorado, which is leased to a third party, and undeveloped land in Colorado and New York. See Item 3, *Legal Proceedings*, for further discussion of certain of these properties.

ITEM 3 LEGAL PROCEEDINGS

We are involved in legal proceedings and litigation arising in the ordinary course of business. In the opinion of management, the outcome of such ordinary course business proceedings and litigation currently pending will not have a material adverse effect on our results of operations or financial position.

Our prior operations included numerous manufacturing and other facilities for which we may have responsibility under various environmental laws to address conditions that may be identified in the future. We are involved in environmental remediation and ongoing compliance activities at several sites and have been notified that we are or may be a potentially responsible party at several other sites. We are remediating, under the oversight of Colorado authorities, contamination at and beneath our owned facility in Colorado (also known as the "Redfield" site) and groundwater and indoor air in residential neighborhoods adjacent to and near the property, which have been affected by solvents previously used at the site and surrounding facilities.

Refer to Note 16 to the consolidated financial statements for additional information related to the Redfield matter and other legal proceedings.

ITEM 4 MINE SAFETY DISCLOSURES

Not applicable.

PART II

ITEM 5 MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES

Our common stock is listed on the New York Stock Exchange ("NYSE") under the trading symbol "CAL." As of January 29, 2022, we had 3,480 shareholders of record.

Issuer Purchases of Equity Securities

The following table provides information relating to our repurchases of common stock during the fourth quarter of 2021:

Fiscal Period	Total Number of Shares Purchased [(1)]	Average Price Paid per Share [(1)]	Total Number of Shares Purchased as Part of Publicly Announced Program [(2)]	Maximum Number of Shares that May Yet Be Purchased Under the Program [(2)]
October 31, 2021 - November 27, 2021	216,724	$ 27.61	215,043	2,436,446
November 28, 2021 - January 1, 2022	382,797	25.16	378,500	2,057,946
January 2, 2022 - January 29, 2022	67,722	22.05	67,722	1,990,224
Total	667,243	$ 25.64	661,265	1,990,224

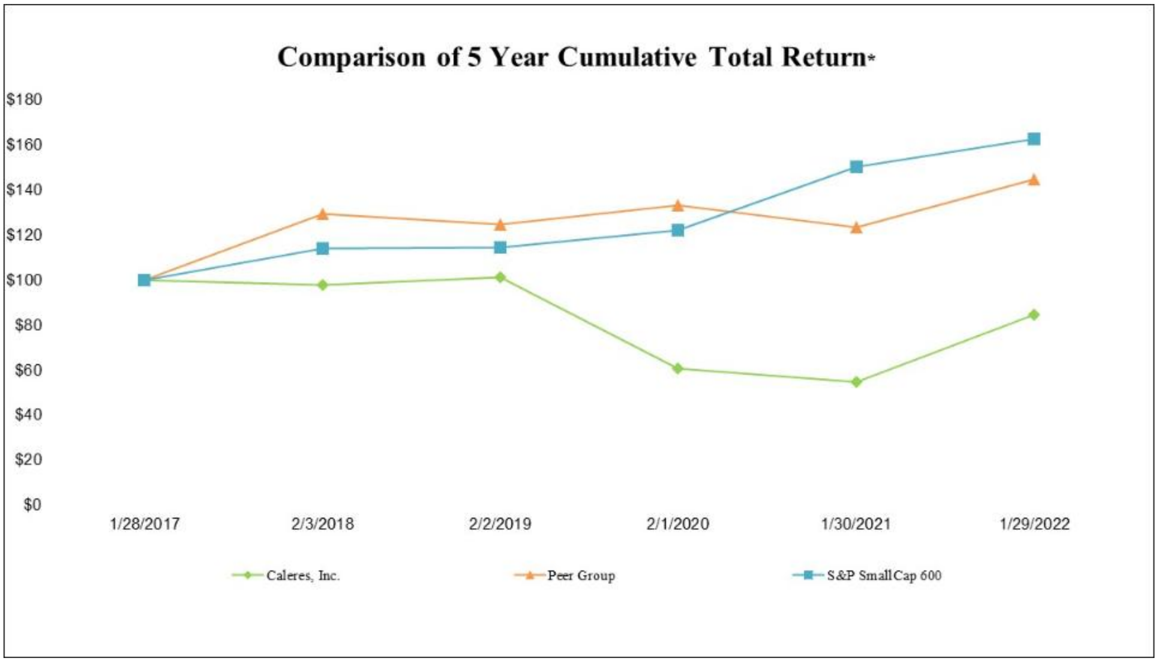
(1) Includes shares purchased as part of our publicly announced stock repurchase program and shares that are tendered by employees related to certain share-based awards. The employee shares were tendered in satisfaction of the exercise price of stock options and/or to satisfy tax withholding amounts for non-qualified stock options, restricted stock and stock performance awards.

(2) On December 14, 2018, the Board of Directors approved a stock repurchase program ("2018 Program") authorizing the purchase of up to 2,500,000 shares of our outstanding common stock. In addition, on September 2, 2019, the Board of Directors approved a stock repurchase program ("2019 Program") authorizing the purchase of up to 5,000,000 shares of our outstanding common stock. We can use the repurchase programs to repurchase shares on the open market or in private transactions. Under these programs, the Company repurchased 661,265 shares during 2021 and 2,902,122 shares during 2020. As of January 29, 2022, there were 1,990,224 shares authorized to be repurchased under the repurchase programs. Subsequent to year-end, the Board of Directors authorized an additional 7,000,000 shares under our stock repurchase programs. With this increase, we have 8,990,224 shares authorized to be repurchased under the repurchase programs. Our repurchases of common stock are limited under our debt agreements.

Stock Performance Graph

The following performance graph compares the cumulative total return on our common stock with the cumulative total return of the following indices: (i) the S&P© SmallCap 600 Stock Index and (ii) a peer group of companies believed to be engaged in similar businesses. Our peer group consists of Designer Brands, Inc., Genesco, Inc., Shoe Carnival, Inc., Skechers U.S.A., Inc., Steven Madden, Ltd. and Wolverine World Wide, Inc.

Our fiscal year ends on the Saturday nearest to each January 31. Accordingly, share prices are as of the last business day in each fiscal year. The graph assumes that the value of the investment in our common stock and each index was $100 at January 28, 2017. The graph also assumes that all dividends were reinvested and that investments were held through January 29, 2022. These indices are included for comparative purposes only and do not necessarily reflect management's opinion that such indices are an appropriate measure of the relative performance of the stock involved and are not intended to forecast or be indicative of possible future performance of the common stock.



*$100 invested on January 28, 2017 in stock or index, including reinvestment of dividends. Index calculated on daily basis.

	1/28/2017	2/3/2018	2/2/2019	2/1/2020	1/30/2021	1/29/2022
Caleres, Inc.	$ 100.00	$ 97.71	$ 101.37	$ 60.84	$ 54.70	$ 84.63
Peer Group	100.00	129.29	124.97	133.21	123.34	144.93
S&P© SmallCap 600 Stock Index	100.00	114.08	114.48	122.07	150.36	162.87

ITEM 6 RESERVED

ITEM 7 MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

OVERVIEW

Business Overview

We are a global footwear company that operates retail shoe stores and e-commerce websites, and designs, develops, sources, manufactures and distributes footwear for people of all ages. Our mission is to inspire people to feel great...feet first. We offer the consumer a powerful portfolio of footwear brands built on deep consumer insights generating unwavering consumer loyalty and trust. As both a retailer and a wholesaler, we have a perspective on the marketplace that enables us to serve consumers from different vantage points. We believe our diversified business model provides us with synergies by spanning consumer segments, categories and distribution channels. A combination of thoughtful planning and rigorous execution is key to our success in optimizing our business and portfolio of brands. Our business strategy is focused on continued market share gains, investments in technology, and sustainability, while remaining focused on meeting changing consumer demand.

Famous Footwear
Our Famous Footwear segment includes our Famous Footwear stores, famousfootwear.com and famousfootwear.ca in Canada. Famous Footwear is one of America's leading family–branded footwear retailers with 894 stores at the end of 2021 and net sales of $1.7 billion in 2021. Our focus for the Famous Footwear segment is on meeting the needs of a well-defined consumer by providing an assortment of trend-right, brand-name fashion, casual and athletic footwear at a great price. During 2021, we continued to execute on our three-pronged strategy, which concentrates on merchandising, marketing and consumer experience. We continue to focus on increasing the opportunity between Famous Footwear and the brands within our Brand Portfolio segment, such as LifeStride, Blowfish Malibu, Dr. Scholl's and Vionic Beach. We also have focused on offering the consumer a balanced assortment of athletic, sport and seasonal styles from well-known brands. As we work to evolve our product offerings, we are testing and adding new and emerging brands across various categories to meet the shifting preferences and behaviors of the consumer, which we believe may attract new Famous Footwear consumers while providing the current consumer with additional options. We are also optimizing our media investment to acquire new consumers, reactivate previous consumers and retain existing Famous Footwear consumers.

Brand Portfolio
Our Brand Portfolio segment is consumer-focused and we believe our success is dependent upon our ability to strengthen consumers' preference for our brands by offering compelling style, quality, differentiated brand promises and innovative marketing campaigns. The segment is comprised of the Sam Edelman, Vionic, Naturalizer, Blowfish Malibu, Dr. Scholl's Shoes, Allen Edmonds, LifeStride, Franco Sarto, Rykä, Vince, Bzees, Zodiac and Veronica Beard brands. Through these brands, we offer our customers a diversified selection of footwear, each designed and targeted to a specific consumer segment within the marketplace. We are able to showcase many of our brands in our retail stores and online, leveraging our wholesale and retail platforms, sharing consumer insights across our businesses and testing new and innovative products. Our Brand Portfolio segment operates 70 retail stores in the United States for our Allen Edmonds, Sam Edelman and Naturalizer brands. This segment also includes our e-commerce businesses that sell our branded footwear. We also operate a joint venture, which expands our international presence by distributing our Sam Edelman and Naturalizer brands through 16 retail stores in China.

Supply Chain Disruptions and Inflationary Pressures
During 2021, our business operations continued to be impacted by the COVID-19 pandemic, including the delayed receipt of inventory attributable to temporary factory shutdowns, border closures, port congestion and shipping vessel and container availability. Our inventory levels at January 29, 2022 were $108.9 million higher than the prior year-end, inclusive of an $83.5 million increase in-transit inventory, reflecting the ongoing supply chain disruptions. While we have experienced an improvement in inventory receipts at the beginning of 2022, we expect supply chain disruptions to continue through the first half of 2022. Due to lower shipping vessel and container availability, we experienced higher transportation costs throughout 2021, with approximately $23 million of incremental transportation costs incurred during the second half of 2021. We expect to continue to experience inflationary pressures for freight and other product costs during 2022. If we are unable to recover the impact of these costs through price increases to our customers, or if consumer spending decreases as a result of inflation, our business, results of operations, financial condition and cash flows may be adversely affected. In addition, ongoing inflation in product costs may result in lower gross margins due to a higher inventory reserve requirement for the inventory valued using the last-in, first-out ("LIFO") costing methodology, which is used to value approximately 89% of our consolidated inventories.

Financial Highlights
The following is a summary of the financial highlights for 2021:

- Consolidated net sales increased $660.5 million, or 31.2%, to $2,777.6 million in 2021, compared to $2,117.1 million last year, driven primarily by record-setting sales at our Famous Footwear segment which benefited from strong consumer demand as COVID-19 vaccines became widely available and government restrictions eased. Our Brand Portfolio segment's net sales also rebounded compared to last year, despite being adversely impacted by the delayed receipt of inventory due to supply chain disruptions.

- Consolidated gross profit increased $440.3 million, or 55.9%, to $1,227.3 million in 2021, compared to $787.0 million last year. Our gross profit margin increased to 44.2% in 2021, compared to 37.2% in 2020, reflecting a decline in promotional activity driven by strong consumer demand, partially offset by higher inbound freight costs.

- Consolidated operating earnings increased to $205.8 million in 2021, compared to an operating loss of $485.7 million last year.

- Consolidated net earnings attributable to Caleres, Inc. were $137.0 million, or $3.56 per diluted share, in 2021, compared to a net loss of $439.1 million, or $11.80 per diluted share, last year.

The following items should be considered in evaluating the comparability of our 2021 and 2020 results:

- COVID-19 pandemic impact – During 2020, our business results were negatively impacted by the COVID-19 pandemic. Our retail stores were temporarily closed for a portion of the year and many of our stores experienced reduced operating hours and additional closure days on a temporary basis as a result of local government mandates or illness. We also experienced declines in retail store traffic with stay-at-home orders and other government mandates, which resulted in lower sales in 2020, despite the significant growth in our e-commerce business. We incurred costs associated with the COVID-19 pandemic and related impacts on the Company's business totaling $114.3 million ($115.5 million on an after-tax basis, or $3.10 per diluted share) in 2020. These costs included non-cash impairment charges associated with property and equipment and lease right-of-use assets, inventory markdowns, employee severance and other expenses. Of the $114.3 million in charges, $80.9 million is presented in restructuring and other special charges, net and $33.4 million, which represents inventory markdowns, is reflected as cost of goods sold. In 2021, as the impacts of the pandemic began to recede, we experienced strong consumer demand and robust growth in retail store traffic, contributing to our record-setting financial results.

- Blowfish Malibu mandatory purchase obligation – In July 2018, we acquired a controlling interest in Blowfish Malibu. As further discussed in Note 4 and 13 to the consolidated financial statements, the remaining interest in Blowfish Malibu was subject to a mandatory purchase obligation after a three-year period, based on an earnings multiple formula. During 2021, we recorded fair value adjustments of $15.4 million ($11.5 million on an after-tax basis, or $0.30 per diluted share), compared to $23.9 million ($17.8 million on an after-tax basis, or $0.48 per diluted share) in 2020. The fair value adjustments are presented as interest expense, net in the consolidated statements of earnings (loss). The mandatory purchase obligation of $54.6 million was settled during the fourth quarter of 2021.

- Brand Portfolio—business exits – In 2021, the Company incurred costs of $13.5 million ($11.9 million on an after-tax basis, or $0.31 per diluted share) related to the strategic realignment of the Naturalizer retail store operations, which had been announced in late 2020. These charges primarily represent lease termination and other store closure costs, including employee severance, for the Naturalizer stores closed in 2021 and are reflected as restructuring and other special charges. In 2020, the Company incurred costs totaling $16.4 million ($14.9 million on an after-tax basis, or $0.40 per diluted share), including $14.8 million related to the decision to close all but a limited number of our Naturalizer retail stores and $1.6 million associated with the decision to exit the Fergie brand. Refer to Note 4 to the consolidated financial statements for further discussion.

- Loss on early extinguishment of debt – During 2021, we incurred a loss of $1.0 million ($0.8 million on an after-tax basis, or $0.02 per diluted share) related to the redemption of our $200.0 million aggregate principal senior notes, prior to the maturity date, and the amendment to our revolving credit facility prior to its maturity. There were no corresponding charges in 2020. Refer to Note 11 to the consolidated financial statements for further discussion.

- Impairment of goodwill and intangible assets – During 2020, we recorded non-cash impairment charges totaling $286.5 million ($236.4 million on an after-tax basis, or $6.35 per diluted share). We recorded $240.3 million of impairment associated with goodwill as a result of the unfavorable business climate and our lower stock price and market capitalization. In addition, we recorded $46.2 million of impairment associated with intangible assets, including the Allen Edmonds trade name and customer relationship intangible asset and Via Spiga trade name. There were no corresponding impairment charges in 2021. Refer to Note 1 and Note 10 to the consolidated financial statements for additional information related to these charges.

- Vionic integration-related costs – On October 18, 2018, we acquired the Vionic business for $360.7 million. We incurred integration-related charges totaling $3.4 million ($2.6 million on an after-tax basis, $0.07 per diluted share) during 2020, which are presented as restructuring and other special charges in the consolidated statements of earnings (loss). These costs primarily represents non-cash charges for impairment of assets, warehouse and logistics integration expenses and severance costs. There were no corresponding charges in 2021. Refer to Note 4 to the consolidated financial statements for further discussion.

Financial Outlook

We delivered record-setting financial results in 2021, which will provide us with significant momentum going into 2022. Our strong financial results demonstrate the strength of our portfolio of brands, the success of our advanced operating capabilities, the tremendous efforts and talents of our associates and the significant value-enhancing transformation of the organization. In 2022, we will be focused on unlocking growth opportunities across the Company, while taking additional steps to mitigate supply chain and inflationary pressures. We believe we are uniquely positioned to meet consumer needs and capture growth across trending footwear categories such as event, occasion and career, while continuing to capitalize on demand for the athletic and sport-inspired styles. We are confident that the investments we have made, the strategic priorities we have set in motion, and our strengthened financial position and potential for ongoing strong cash generation will enable us to continue to return capital to shareholders, better align supply with consumer demand and invest in our long-term strategic initiatives.

Metrics Used in the Evaluation of Our Business

The following are a couple of key metrics by which we evaluate our business and make strategic decisions:

Same-store sales

The same-store sales metric is a metric commonly used in the retail industry to evaluate the revenue generated for stores that have been open for more than a year, though many retailers may calculate the metric differently. Management uses the same-store sales metric as a measure of an individual store's success to determine whether its sales performance is consistent with expectations. Our same-store sales metric is a daily-weighted calculation for the period, which includes sales for stores that have been open at least 13 months. In addition, in order to be included in the same-store sales metric, a store must be open in the current period as well as the corresponding day(s) of the comparable retail calendar in the prior year. Accordingly, closed stores (including temporary store closures related to the pandemic) are excluded from the same-store sales metric for each day of the closure. Relocated stores are treated as new stores and therefore excluded from the calculation. E-commerce sales for those websites that function as an extension of a retail chain are included in the same-store sales calculation. We believe the same-store sales metric is useful to shareholders and investors in assessing the performance of our existing retail store locations with comparable prior year sales, separate from the impact of store openings or closures.

Sales per square foot

The sales per square foot metric is commonly used in the retail industry to measure the efficiency of a store's sales based upon the square footage in a store. Management uses the sales per square foot metric as a measure of an individual store's success to determine whether it is performing consistent with expectations. The sales per square foot metric is calculated by dividing total retail store sales, excluding e-commerce sales, by the total square footage of the retail store base at the end of each month of the respective period.

Comparison of Financial Results

The following sections discuss the consolidated and segment results of our operations for the year ended January 29, 2022 compared to the year ended January 30, 2021. For a discussion of the year ended January 30, 2021 compared to the year ended February 1, 2020, refer to Part II, Item 7 "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" in our Annual Report on Form 10-K for the year ended January 30, 2021.

CONSOLIDATED RESULTS

($ millions)	2021	% of Net Sales	2020	% of Net Sales	2019	% of Net Sales
Net sales	$ **2,777.6**	**100.0 %**	$ 2,117.1	100.0 %	$ 2,921.6	100.0 %
Cost of goods sold	**1,550.3**	**55.8 %**	1,330.1	62.8 %	1,737.2	59.5 %
Gross profit	**1,227.3**	**44.2 %**	787.0	37.2 %	1,184.4	40.5 %
Selling and administrative expenses	**1,008.0**	**36.3 %**	889.5	42.0 %	1,065.8	36.5 %
Impairment of goodwill and intangible assets	**—**	**— %**	286.5	13.5 %	—	— %
Restructuring and other special charges, net	**13.5**	**0.5 %**	96.7	4.6 %	14.8	0.4 %
Operating earnings (loss)	**205.8**	**7.4 %**	(485.7)	(22.9)%	103.8	3.6 %
Interest expense, net	**(30.9)**	**(1.1)%**	(48.2)	(2.3)%	(33.1)	(1.2)%
Loss on early extinguishment of debt	**(1.0)**	**(0.1)%**	—	— %	—	— %
Other income, net	**15.3**	**0.6 %**	16.8	0.8 %	7.9	0.3 %
Earnings (loss) before income taxes	**189.2**	**6.8 %**	(517.1)	(24.4)%	78.6	2.7 %
Income tax (provision) benefit	**(51.1)**	**(1.8)%**	78.1	3.7 %	(16.5)	(0.6)%
Net earnings (loss)	**138.1**	**5.0 %**	(439.0)	(20.7)%	62.1	2.1 %
Net earnings (loss) attributable to noncontrolling interests	**1.1**	**0.1 %**	0.1	0.0 %	(0.7)	(0.0)%
Net earnings (loss) attributable to Caleres, Inc.	$ **137.0**	**4.9 %**	$ (439.1)	(20.7)%	$ 62.8	2.1 %

Net Sales
Net sales increased $660.5 million, or 31.2%, to $2,777.6 million in 2021, compared to $2,117.1 million last year. In 2021, we experienced an increase in retail store traffic once the impacts of the pandemic began to recede and government restrictions eased. In addition, consumer demand for our on-trend assortment supported a reduction in promotional activity, resulting in significant full-price selling. These factors resulted in record-setting net sales for our Famous Footwear segment, which increased $484.7 million, or 38.4%, compared to last year. Net sales for our Brand Portfolio segment increased $178.5 million, or 19.8%, compared to last year. While Brand Portfolio net sales improved over last year, they remain below sales in 2019, due in part to the brand exits announced in late 2019 and early 2020 and the related closure of all but two Naturalizer retail stores in North America. On a consolidated basis, our direct-to-consumer sales represented approximately 75% of total net sales for 2021, compared to 73% last year. Our casual, athletic and sport footwear categories continued to perform well and our sandals category experienced strong growth. In addition, demand for the dress category continued to improve as more people are returning to the workplace and attending social gatherings.

Gross Profit
Gross profit increased $440.3 million, or 55.9%, to $1,227.3 million in 2021, compared to $787.0 million in 2020 driven by higher net sales, more full-price selling and a significant decrease in promotional activity at Famous Footwear due to our strong product assortment and inventory management, partially offset by higher inbound freight costs. In addition, during 2020 our gross profit was impacted by incremental inventory markdowns reflecting the difficult retail environment and our business exits described earlier. As a percentage of net sales, our gross profit rate increased to 44.2% in 2021, compared to 37.2% in 2020. The higher gross profit rate reflects more full-price selling and a decline in promotional activity driven by strong consumer demand, partially offset by higher inbound freight costs.

We classify warehousing, distribution, sourcing and other inventory procurement costs in selling and administrative expenses. Accordingly, our gross profit and selling and administrative expenses, as a percentage of net sales, may not be comparable to other companies.

Selling and Administrative Expenses
Selling and administrative expenses increased $118.5 million, or 13.3%, to $1,008.0 million in 2021, compared to $889.5 million last year. The increase reflects higher salary and benefits expenses, higher marketing expenses and an increase in stock and deferred compensation expense, partially offset by lower rent and facilities costs. During 2020, we managed controllable expenses in response to the difficult business environment and lower sales volume resulting from the pandemic. The strategic actions taken in 2020 resulted in lower salaries and benefits expense; lower variable expenses associated with the temporary store closures, including the impact of certain rent concessions received from landlords; and lower marketing, travel and logistics expenses. As a percentage of net sales, selling and administrative expenses decreased to 36.3% in 2021 from 42.0% last year, reflecting better leveraging of expenses over a higher sales base.

Impairment of Goodwill and Intangible Assets
During 2020, we recorded non-cash impairment charges totaling $286.5 million ($236.4 million on an after-tax basis, or $6.35 per diluted share). We recorded $240.3 million of impairment associated with goodwill as a result of the unfavorable business climate and our lower market capitalization. In addition, we recorded $46.2 million of impairment associated with intangible assets, including $36.0 million associated with the Allen Edmonds trade name and customer relationship intangible asset and $10.2 million associated with the Via Spiga trade name. There were no corresponding impairment charges in 2021. Refer to Note 10 to the consolidated financial statements for additional information related to these charges.

Restructuring and Other Special Charges, Net
We incurred restructuring and other special charges of $13.5 million ($11.9 million on an after-tax basis, or $0.31 per diluted share) during 2021, compared to $96.7 million in 2020 as follows:

- Brand Portfolio business exit costs of $13.5 million and $12.4 million in 2021 and 2020, respectively, reflecting expenses associated with the strategic realignment of the Naturalizer retail store operations;
- Costs associated with the economic impact of the COVID-19 pandemic of $80.9 million in 2020, primarily consisting of impairment charges associated with lease right-of-use assets and retail store furniture and fixtures, liabilities associated with wholesale factory order cancellations and severance; and
- Integration-related costs for Vionic of $3.4 million in 2020.

The nature of the above charges are more fully described in the *Financial Highlights* section above and Note 4 to the consolidated financial statements.

Operating Earnings (Loss)
Operating earnings increased $691.5 million to $205.8 million in 2021, compared to an operating loss of $485.7 million last year, reflecting the factors described above. As a percentage of net sales, operating earnings were 7.4% in 2021, compared to an operating loss of 22.9% in 2020.

Interest Expense, Net
Interest expense, net decreased $17.3 million, or 35.9%, to $30.9 million in 2021, compared to $48.2 million last year, which is attributable to various factors. The fair value adjustments on the mandatory purchase obligation associated with the Blowfish Malibu acquisition totaled $15.4 million in 2021, compared to $23.9 million in 2020. The mandatory purchase obligation was settled for $54.6 million on November 4, 2021. In addition, we continued to use our strong cash generation to reduce the borrowings under our revolving credit agreement from $440.0 million at March 2020 to $290.0 million at January 29, 2022. As a result, the average borrowings under our revolving credit agreement were lower in 2021, decreasing our interest expense. In addition, we redeemed our $200 million aggregate principal of senior notes during 2021, prior to maturity, shifting this higher interest rate debt to borrowings under our revolving credit agreement. We expect our net interest expense to be lower going forward as a result of the redemption of the senior notes. Refer to Note 11 to the consolidated financial statements for additional information related to our borrowings and Note 4 and Note 13 for further discussion regarding the mandatory purchase obligation.

Loss on Early Extinguishment of Debt
The loss on early extinguishment of debt was $1.0 million in 2021, reflecting the redemption of our $200.0 million aggregate principal senior notes prior to maturity, as well as the amendment of our revolving credit facility. Refer to Note 11 to the consolidated financial statements for further discussion.

Other Income, Net
Other income, net decreased $1.5 million, or 8.7%, to $15.3 million in 2021, compared to $16.8 million in 2020, reflecting a reduction in certain components of net periodic benefit income associated with our pension plans. Refer to Note 5 to the consolidated financial statements for additional information related to our retirement plans.

Income Tax (Provision) Benefit
Our consolidated effective tax rate was 27.0% in 2021, compared to 15.1% in 2020. Our higher tax rate for 2021 primarily reflects strong domestic earnings and incremental valuation allowances recorded for our deferred tax assets for certain

jurisdictions. The rate also reflects incremental valuation allowances related to operating losses at our Canadian business division, which were driven by exit-related costs associated with the Naturalizer retail stores during the first quarter of 2021. In 2020, our effective tax rate was impacted by several discrete tax items, including the non-deductibility of a portion of our goodwill impairment charges and the incremental tax provision related to the vesting of stock awards. Our tax benefit for 2020 also includes the favorable impact of approximately $8.2 million related to the CARES Act, which permits us to carry back a significant portion of our 2020 losses to years with a higher federal tax rate. In addition, due to the significance of our 2020 loss before income taxes, the Company entered into a three-year cumulative loss position for federal, state and certain international jurisdictions. We increased our valuation allowances on deferred tax assets to $50.0 million during 2020, reflecting the uncertainty regarding the utilization of our deferred tax assets in these jurisdictions. The requirement for valuation allowances on our deferred tax assets may result in ongoing volatility in our effective tax rate until the Company is no longer in a three-year cumulative loss position. Refer to Note 6 to the consolidated financial statements for additional information regarding income taxes.

Net Earnings (Loss) Attributable to Caleres, Inc.

Consolidated net income attributable to Caleres, Inc. was $137.0 million in 2021, compared to a net loss of $439.1 million last year, reflecting the factors described above.

Geographic Results

We have both domestic and international operations. Domestic operations include the nationwide operation of our Famous Footwear and other branded retail footwear stores, the wholesale distribution of footwear to numerous retail consumers and the operation of our e-commerce websites. International operations primarily consist of wholesale operations in Eastern Asia, Canada and Europe, retail operations in Canada and China and the operation of our international e-commerce websites. In addition, we license certain of our trade names to third parties who distribute and/or operate retail locations internationally. The operations in Eastern Asia include first-cost transactions, where footwear is sold at international ports to customers who then import the footwear into the United States and other countries. The breakdown of domestic and international net sales and earnings (loss) before income taxes is as follows:

	2021		2020		2019	
($ millions)	**Net Sales**	**Earnings Before Income Taxes**	Net Sales	Loss Before Income Taxes	Net Sales	Earnings Before Income Taxes
Domestic	**$ 2,600.8**	**$ 152.5**	$ 1,981.1	$ (441.5)	$ 2,727.1	$ 37.3
International	**176.8**	**36.7**	136.0	(75.6)	194.5	41.3
	$ 2,777.6	**$ 189.2**	$ 2,117.1	$ (517.1)	$ 2,921.6	$ 78.6

As a percentage of sales, the pre-tax profitability on international sales is higher than on domestic sales because of a lower cost structure and the inclusion of the unallocated corporate administrative and other costs in domestic earnings. In 2020, both our domestic and international earnings were impacted by the goodwill and intangible asset impairment charges described earlier.

FAMOUS FOOTWEAR

	2021		2020		2019	
($ millions, except sales per square foot)		% of Net Sales		% of Net Sales		% of Net Sales
Net sales	$ **1,748.3**	**100.0 %**	$ 1,263.6	100.0 %	$ 1,588.1	100.0 %
Cost of goods sold	**908.9**	**52.0 %**	773.7	61.2 %	912.7	57.5 %
Gross profit	**839.4**	**48.0 %**	489.9	38.8 %	675.4	42.5 %
Selling and administrative expenses	**563.0**	**32.2 %**	497.1	39.4 %	595.0	37.5 %
Restructuring and other special charges, net	**—**	**— %**	16.6	1.3 %	3.5	0.2 %
Operating earnings (loss)	$ **276.4**	**15.8 %**	$ (23.8)	(1.9)%	$ 76.9	4.8 %
Key Metrics						
Same-store sales % change	**12.5 %**		1.6 %		2.0 %	
Same-store sales $ change	$ **153.6**		$ 20.0		$ 31.1	
Sales change from new and closed stores, net [1]	$ **329.3**		$ (344.4)		$ (49.3)	
Impact of changes in Canadian exchange rate on sales	$ **1.8**		$ (0.1)		$ (0.5)	
Sales per square foot, excluding e-commerce	$ **249**		$ 159		$ 223	
Square footage (thousand sq. ft.)	**5,912**		6,074		6,281	
Stores opened	**10**		6		12	
Stores closed	**32**		39		55	
Ending stores	**894**		916		949	

(1) This metric includes the impact of temporary store closures. Fiscal 2020 was impacted significantly by store closure days during the pandemic, while 2021 reflects a significantly lower number of store closure days.

Net Sales

Net sales increased $484.7 million, or 38.4%, to $1,748.3 million in 2021, compared to $1,263.6 million last year. Our record-setting results in 2021 were attributable to a number of factors. As the effects of the pandemic began to recede, we experienced a significant increase in retail store traffic in 2021. The consumer demand for our on-trend assortment supported a reduction in promotional activity, resulting in more full-price selling. Our e-commerce penetration in 2021 was approximately 14% of net sales, compared to approximately 22% last year when our retail stores were temporarily closed beginning in mid-March at the onset of the pandemic, with a phased reopening beginning in May. While supply chain disruptions have resulted in shipping delays, our well-positioned inventory drove our strong performance. Seasonal product, particularly sandals, performed well, and we experienced robust growth in our casual and athletic categories. Our children's business also continued to grow significantly, outpacing total company performance. During 2021, we had net closures of 22 stores as we continue to focus on optimizing our store base and eliminating underperforming locations.

Sales to members of our customer loyalty program, Famously You Rewards ("Rewards"), continue to account for a majority of the segment's sales, with approximately 78% of net sales to loyalty program members in 2021, compared to 79% in 2020.

Gross Profit

Gross profit increased $349.5 million, or 71.3%, to $839.4 million in 2021, compared to $489.9 million last year, driven by the net sales increase and a higher gross profit rate. As a percentage of net sales, our gross profit rate increased to 48.0% in 2021, compared to 38.8% in 2020, reflecting a significant reduction in promotional activity driven by growth in consumer demand as well as our strong product assortment and inventory management. In addition, our gross profit margin in 2020 was adversely impacted by $6.0 million in incremental inventory markdowns, reflecting the difficult retail environment driven by the pandemic.

Selling and Administrative Expenses

Selling and administrative expenses increased $65.9 million, or 13.3%, to $563.0 million during 2021 compared to $497.1 million last year. The increase reflects higher variable expenses, including payroll associated with our retail store associates and logistics, associated with the increase in sales volume, as well as higher marketing expenses. Salary expenses were lower in 2020 driven by the temporary closure of all Famous Footwear stores for a portion of the first half of 2020 due to the pandemic. As a percentage of net sales, selling and administrative expenses decreased to 32.2% in 2021 from 39.4% last year, reflecting better leveraging of expenses over a higher net sales base.

Restructuring and Other Special Charges, Net

Restructuring and other special charges were $16.6 million during 2020, consisting primarily of impairment charges on furniture and fixtures in our retail stores and lease right-of-use assets. Refer to Note 4 to the consolidated financial statements for additional information related to these charges. There were no corresponding charges during 2021.

Operating Earnings (Loss)

Operating earnings increased $300.2 million to $276.4 million for 2021, compared to an operating loss of $23.8 million last year, reflecting higher net sales, an increase in gross profit rate and the other factors described above. As a percentage of net sales, operating earnings were 15.8% for 2021, compared to an operating loss of 1.9% last year.

BRAND PORTFOLIO

	2021		2020		2019	
($ millions, except sales per square foot)		% of Net Sales		% of Net Sales		% of Net Sales
Net sales	$ **1,081.0**	**100.0 %**	$ 902.5	100.0 %	$ 1,406.5	100.0 %
Cost of goods sold	**694.2**	**64.2 %**	607.7	67.3 %	899.9	64.0 %
Gross profit	$ **386.8**	**35.8 %**	$ 294.8	32.7 %	$ 506.6	36.0 %
Selling and administrative expenses	**337.4**	**31.2 %**	337.4	37.4 %	442.7	31.5 %
Impairment of goodwill and intangible assets	**—**	**— %**	286.5	31.8 %	—	— %
Restructuring and other special charges, net	**13.5**	**1.3 %**	79.3	8.8 %	5.7	0.4 %
Operating earnings (loss)	$ **35.9**	**3.3 %**	$ (408.4)	(45.3)%	$ 58.2	4.1 %
Key Metrics						
Direct-to-consumer (% of net sales) [1]	**32 %**		32 %		28 %	
Change in wholesale net sales ($)	$ **114.6**		$ (396.4)		$ 107.6	
Unfilled order position at end of period	$ **452.4**		$ 218.2		$ 295.4	
Same-store sales % change	**30.6 %**		(31.0)%		(5.8)%	
Same-store sales $ change	$ **32.9**		$ (59.7)		$ (15.5)	
Sales change from new and closed stores, net	$ **30.4**		$ (47.9)		$ 1.5	
Impact of changes in Canadian exchange rate on retail sales	$ **0.6**		$ 0.0		$ (0.7)	
Sales per square foot, excluding e-commerce (trailing twelve months)	$ **906**		$ 179		$ 390	
Square footage (thousands sq. ft.)	**116**		269		387	
Stores opened	**9**		7		11	
Stores closed	**93**		65		12	
Ending stores	**86**		170		228	

(1) Direct-to-consumer includes sales of our retail stores and e-commerce sites, and sales through our customers' websites that we fulfill on a drop-ship basis.

Net Sales

Net sales increased $178.5 million, or 19.8%, to $1,081.0 million in 2021, compared to $902.5 million last year, reflecting strong sales growth from our Sam Edelman, Vionic, Allen Edmonds and Blowfish Malibu brands. Both Sam Edelman and Allen Edmonds have experienced renewed interest and growth in the dress shoe category, as more people returned to the workplace and began to attend special occasion events. Our net sales in 2021 were adversely impacted by the delayed receipt of inventory due to supply chain disruptions, including factory shutdowns, border closures, port congestion and shipping vessel and container availability. In addition, sales were adversely impacted during 2020, as many of our wholesale customers canceled orders and those customers and the Company temporarily closed retail stores for several weeks during 2020.

In the first quarter of 2021, we permanently closed the remaining 73 Naturalizer stores in North America that were scheduled for closure as part of our strategic realignment of the Naturalizer retail store operations. While net sales improved over last year, they remain below pre-pandemic levels, due in part to these retail store closures. We remain focused on growing the Naturalizer brand's e-commerce business through naturalizer.com, our retail partners and their websites, and the two flagship stores in the United States. Including the Naturalizer closures, we closed 93 stores and opened nine stores during 2021, resulting in a total of 86 stores at the end of 2021. Sales per square foot, excluding e-commerce sales, increased to $906, compared to $179 last year. The sales per square foot metric in 2020 was adversely impacted by the temporary retail store closures and therefore, it is not comparable to 2021. In addition, with the closure of nearly all of our Naturalizer retail stores in 2021, the majority of our Brand Portfolio segment stores are for our Allen Edmonds brand, which have higher retail price points than the Naturalizer brand.

The unfilled order position for our wholesale business increased $234.2 million to $452.4 million at the end of 2021, compared to $218.2 million at the end of last year. The increase in our backlog order levels reflects the delayed receipt of inventory due to global supply chain disruptions and higher demand. We are actively working to diversify and leverage our sourcing model to help offset the impact of these supply chain challenges, but expect the disruptions to continue into 2022.

Gross Profit

Gross profit increased $92.0 million, or 31.2%, to $386.8 million in 2021, compared to $294.8 million last year, due to higher net sales and an improved gross profit rate. Our gross profit in 2020 was negatively impacted by higher incremental cost of goods sold primarily due to $27.5 million in inventory markdowns reflecting the difficult retail environment driven by the pandemic, as well as $4.0 million in inventory markdowns related to the decision to close all but a limited number of our Naturalizer retail stores and exit our Fergie brand. As a percentage of sales, our gross profit rate increased to 35.8% in 2021, compared to 32.7% last year. In connection with the supply chain disruptions described earlier, our freight costs have risen significantly. We anticipate inbound freight costs to remain high in 2022, which may continue to impact our gross profit if we are unable to mitigate or fully recover these additional costs through price increases.

Selling and Administrative Expenses

Selling and administrative expenses were $337.4 million in 2021, consistent with last year. Higher marketing and salaries expenses were offset by lower rent and facilities expenses, primarily due to the lower store count. As a percentage of net sales, selling and administrative expenses decreased to 31.2% in 2021 from 37.4% last year, reflecting better leveraging of expenses over a higher net sales base.

Impairment of Goodwill and Intangible Assets

We incurred impairment charges of $286.5 million during 2020, including $240.3 million associated with goodwill and $46.2 million associated with intangible assets, including $32.0 for the Allen Edmonds trade name, $10.2 million for the Via Spiga trade name and $4.0 million associated with other Allen Edmonds intangible assets. The goodwill impairment charges were a result of the unfavorable business climate and our lower market capitalization, due in part to the economic impacts of the pandemic. There were no corresponding impairment charges in 2021. Refer to Note 10 to the consolidated financial statements for additional information related to the impairments.

Restructuring and Other Special Charges, Net

Restructuring and other special charges of $13.5 million were recorded during 2021 for expenses associated with the strategic realignment of the Naturalizer retail store operations. These costs primarily represented lease termination and other store closure costs, including employee severance, for the 73 stores that were closed during the first quarter of 2021. During 2020, $79.3 million of restructuring and other special charges were recorded, primarily comprised of $63.6 million for impairment charges on store furniture and fixtures and lease right-of-use assets, liabilities due to our factories for order cancellations and severance expense. In addition, our 2020 expenses included $12.4 million associated with the closure of our Naturalizer retail stores and $3.3 million in integration-related costs for Vionic. Refer to Note 4 to the consolidated financial statements for additional information related to these charges.

Operating Earnings (Loss)

Operating earnings increased $444.3 million to $35.9 million in 2021, compared to an operating loss of $408.4 million last year, as a result of the factors described above. As a percentage of net sales, operating earnings were 3.3% in 2021, compared to an operating loss of 45.3% last year.

ELIMINATIONS AND OTHER

	2021		2020		2019	
($ millions)		% of Net Sales		% of Net Sales		% of Net Sales
Net sales	**$ (51.7)**	**100.0 %**	$ (49.0)	100.0 %	$ (73.0)	100.0 %
Cost of goods sold	**(52.8)**	**102.2 %**	(51.3)	104.8 %	(75.4)	103.3 %
Gross profit	**$ 1.1**	**(2.2)%**	$ 2.3	(4.8)%	$ 2.4	(3.3)%
Selling and administrative expenses	**107.6**	**(208.3)%**	54.9	(112.2)%	28.0	(38.4)%
Restructuring and other special charges, net	**—**	**— %**	0.8	(1.6)%	5.6	(7.7)%
Operating loss	**$ (106.5)**	**206.1 %**	$ (53.4)	109.0 %	$ (31.2)	42.7 %

The Eliminations and Other category includes the elimination of intersegment sales and profit, unallocated corporate administrative expenses, and other costs and recoveries.

The net sales elimination of $51.7 million for 2021 is $2.7 million, or 5.6%, higher than in 2020, reflecting an increase in product sold from our Brand Portfolio segment to Famous Footwear.

Selling and administrative expenses increased $52.7 million, or 96.0%, to $107.6 million in 2021, compared to $54.9 million last year, primarily driven by higher anticipated payments under our cash and stock-based incentive compensation plans due to our strong financial performance, higher expenses associated with certain cash-based director compensation plans that are variable based on our stock price and an increase in salaries expense. Salaries expense was lower in 2020 as a result of the strategic actions we took to mitigate the impact of the pandemic, including salary reductions and associate furloughs for a portion of the year.

Restructuring and other special charges of $0.8 million in 2020 were comprised primarily of costs associated with workforce reductions as we sought to align our expense structure with the lower sales performance, combined with incremental expenses associated with deep cleaning our facilities and related supplies. There were no corresponding charges in 2021.

RESTRUCTURING AND OTHER INITIATIVES

During 2021, we incurred restructuring and other special charges of $13.5 million, reflecting expenses associated with the decision to close all Naturalizer retail stores in North America with the exception of two Naturalizer flagship retail stores in the United States. These costs primarily represented lease termination and other store closure costs, including employee severance, for the 73 stores that were closed in 2021.

During 2020, we incurred restructuring and other special charges of $96.7 million, including approximately $80.9 million in costs primarily associated with the economic impact of the COVID-19 pandemic, including impairment charges associated with lease right-of-use assets and retail store furniture and fixtures, liabilities associated with factory order cancellations and severance. In addition, we incurred $12.4 million related to the decision to close all but a limited number of Naturalizer retail stores, as described above, and $3.4 million of integration-related costs for Vionic.

Refer to the *Financial Highlights* section above and Note 4 to the consolidated financial statements for additional information related to these charges.

LIQUIDITY AND CAPITAL RESOURCES

Borrowings

($ millions)	**January 29, 2022**	January 30, 2021 [1]	Increase (Decrease)
Borrowings under revolving credit agreement	$ **290.0**	$ 250.0	$ 40.0
Long-term debt	—	198.9	(198.9)
Total debt	$ **290.0**	$ 448.9	$ (158.9)

(1) Total debt as of January 30, 2021 excludes the Blowfish Malibu mandatory purchase obligation, which was valued at $39.1 million.

Total debt obligations decreased $158.9 million to $290.0 million at the end of 2021, compared to $448.9 million at the end of last year, as we continued to use our strong cash generation to reduce our debt levels. In August 2021, we redeemed $100.0 million of our senior notes and on January 3, 2022, we redeemed the remaining $100.0 million of senior notes. We shifted this higher interest rate debt to borrowings under our revolving credit facility, which is expected to result in net interest expense savings on an ongoing basis. Net interest expense in 2021 was $30.9 million, compared to $48.2 million in 2020. The decrease in net interest expense in 2021 was primarily attributable to a decrease in the fair value adjustments to the mandatory purchase obligation associated with the Blowfish Malibu acquisition, as further discussed in Note 13 to the consolidated financial statements, and lower average borrowings under the revolving credit facility.

Credit Agreement

As further discussed in Note 11 to the consolidated financial statements, the Company maintains a revolving credit facility for working capital needs. The Company is the lead borrower, and Sidney Rich Associates, Inc., BG Retail, LLC, Allen Edmonds LLC, Vionic Group LLC and Vionic International LLC are each co-borrowers and guarantors under the revolving credit facility. On October 5, 2021, we entered into a Fifth Amendment to Fourth Amended and Restated Credit Agreement (as so amended, the "Credit Agreement") which, among other modifications, extends the maturity date of the credit facility from January 18, 2024 to October 5, 2026, and decreases the borrowing availability under the revolving credit facility by $100.0 million to an aggregate amount of up to $500.0 million, subject to borrowing base restrictions, and may be further increased by up to $250.0 million.

Interest on the borrowings is at variable rates based on the London Interbank Offered Rate ("LIBOR") (with a floor of 0.0%), or the prime rate (as defined in the Credit Agreement), plus a spread. The Credit Agreement decreased the spread applied to the LIBOR or prime rate by a total of 75 basis points. The interest rate and fees for letters of credit vary based upon the level of excess availability under the Credit Agreement. There is an unused line fee payable on the unused portion under the facility and a letter of credit fee payable on the outstanding face amount under letters of credit.

Borrowing availability under the Credit Agreement is limited to the lesser of the total commitments and the borrowing base ("Loan Cap"), which is based on stated percentages of the sum of eligible accounts receivable, eligible inventory and eligible credit card receivables, as defined, less applicable reserves. Under the Credit Agreement, the Loan Parties' obligations are secured by a first-priority security interest in all accounts receivable, inventory and certain other collateral. Refer to further discussion regarding the Credit Agreement in Note 11 to the consolidated financial statements.

At January 29, 2022, we had $290.0 million borrowings and $10.8 million in letters of credit outstanding under the Credit Agreement. Total borrowing availability was $155.2 million at January 29, 2022. We were in compliance with all covenants and restrictions under the Credit Agreement as of January 29, 2022.

$200 Million Senior Notes

On July 27, 2015, we issued $200.0 million aggregate principal amount of Senior Notes due in 2023 (the "Senior Notes"). The Senior Notes were guaranteed on a senior unsecured basis by each of the subsidiaries of Caleres, Inc. that is an obligor under the Credit Agreement, and bore interest at 6.25%, which was payable on February 15 and August 15 of each year.

On August 16, 2021, we redeemed $100.0 million of Senior Notes at 100.0%. In addition, on January 3, 2022, we redeemed the remaining $100.0 million of Senior Notes at 100.0%. In conjunction with the redemption of the Senior Notes prior to maturity, we incurred a loss on early extinguishment of debt of $1.0 million. Refer to further discussion regarding the Senior Notes in Note 11 to the consolidated financial statements.

Working Capital and Cash Flow

	January 29, 2022		January 30, 2021
Operating working capital ($ millions) [(1)]	$	**193.8**	$ 191.8
Current ratio [(2)]		**0.82:1**	0.86:1
Debt-to-capital ratio [(3)]		**47.3 %**	68.8 %

(1) Operating working capital has been computed as total current assets, excluding cash and property and equipment, held for sale, less total current liabilities, excluding borrowings under revolving credit agreement and lease obligations.
(2) The current ratio has been computed by dividing total current assets by total current liabilities.
(3) Debt-to-capital has been computed by dividing total debt by total capitalization. Total debt is defined as long-term debt and borrowings under the Credit Agreement. Total capitalization is defined as total debt and total equity.

Operating working capital at January 29, 2022, was $193.8 million, which was $2.0 million higher than at January 30, 2021. Our current ratio was 0.82 to 1 at January 29, 2022, compared to 0.86 to 1 at January 30, 2021. Our debt-to-capital ratio was 47.3% as of January 29, 2022, compared to 68.8% at January 30, 2021, reflecting lower debt resulting from the redemption of our senior notes during 2021 as well as higher equity attributable to our strong financial results in 2021.

($ millions)	**2021**	2020	Increase (Decrease) in Cash Equivalents
Net cash provided by operating activities	$ **168.4**	$ 126.4	$ 42.0
Net cash used for investing activities	**(24.1)**	(22.1)	(2.0)
Net cash used for provided by financing activities	**(202.4)**	(61.3)	(141.1)
Effect of exchange rate changes on cash and cash equivalents	**(0.1)**	0.1	(0.2)
(Decrease) increase in cash and cash equivalents	$ **(58.2)**	$ 43.1	$ (101.3)

Cash provided by operating activities was $42.0 million higher in 2021 than last year, reflecting the following factors:

- Higher earnings in 2021 compared to 2020, primarily driven by strong consumer demand and strong financial results by our Famous Footwear segment;
- A decrease in net income tax receivables in 2021 compared to an increase last year; and
- A larger increase in accounts payable in 2021 compared to last year; partially offset by
- An increase in inventory in 2021, compared to a decrease in 2020 due in part to a significant increase in in-transit inventory attributable to supply chain disruptions and port congestion; and
- The settlement of the Blowfish mandatory purchase obligation.

Supply chain financing: Certain of our suppliers are given the opportunity to sell receivables from us related to products we've purchased to participating financial institutions at a rate that leverages our credit rating, which may be more beneficial to the suppliers than the rate they can obtain based upon their own credit rating. We negotiate payment and other terms with our suppliers, regardless of whether the supplier participates in the program, and our responsibility is limited to making payment based on the terms originally negotiated with the supplier. These liabilities continue to be presented as accounts payable in our consolidated balance sheets and reflected as cash flows from operating activities when settled. As of January 29, 2022 and January 30, 2021, we had $36.7 million and $28.5 million, respectively, of accounts payable subject to supply chain financing arrangements. We believe the impact of supply chain financing is not material to our overall liquidity position.

Cash used for investing activities was $2.0 million higher in 2021 than last year, reflecting slightly higher capital expenditures in 2021. In 2022, we expect our purchases of property and equipment and capitalized software to be between $35 million and $45 million.

Cash used for financing activities was $141.1 million higher in 2021 than last year, primarily due to the redemption of our $200.0 million aggregate principal Senior Notes and the settlement of the Blowfish Malibu mandatory purchase obligation, partially offset by net borrowings on our revolving credit agreement of $40.0 million in 2021 compared to net repayments of $25.0 million in 2020. Our strong financial results allowed us to significantly reduce our total debt obligations in 2021 and improve our balance sheet.

We paid dividends of $0.28 per share in each of 2021, 2020 and 2019. The 2021 dividends marked the 99th year of consecutive quarterly dividends. On March 10, 2022, the Board of Directors declared a quarterly dividend of $0.07 per share, payable on April 8, 2022, to shareholders of record on March 24, 2022, marking the 396th consecutive quarterly dividend to be paid by the Company. The declaration and payment of any future dividend is at the discretion of the Board of Directors and will depend on our results of operations, financial condition, business conditions and other factors deemed relevant by our Board of Directors.

We have various contractual or other obligations, including borrowings under our revolving credit facility, operating lease commitments and obligations for our supplemental executive retirement plan and other postretirement benefits. Additional information on these commitments is provided in the notes to our consolidated financial statements. We also have purchase obligations to purchase inventory, assets and other goods and services. As of January 29, 2022, we had purchase obligations totaling approximately $802.1 million, of which $786.6 million are due in the next 12 months. We believe our operating cash flows are sufficient to meet our material cash requirements for at least the next 12 months.

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

Certain accounting issues require management estimates and judgments for the preparation of financial statements. Our most significant policies requiring the use of estimates and judgments are described below.

Inventories

Inventories are one of our most significant assets, representing approximately 32% of total assets at the end of 2021. We value our inventories at the lower of cost or market for approximately 89% of our consolidated inventories, which represents the divisions using the LIFO cost method. For the remaining portion, our inventories are valued at the lower of cost or net realizable value. For inventory valued at LIFO, we regularly review the inventory for excess, obsolete or impaired inventory and write it down to the lower of cost or market. We apply judgment in determining the market value of inventory, which requires an estimate of net realizable value, including current and expected selling prices, costs to sell and normal gross profit rates. The method used to determine market value varies by business division, based on the unique operating models. At our Famous Footwear segment and certain operations within our Brand Portfolio segment, market value is determined based on net realizable value less an estimate of expected costs to be incurred to sell the product. Accordingly, we record markdowns when it becomes evident that inventory items will be sold at prices below cost. As a result, gross profit rates at our Famous Footwear segment and, to a lesser extent, our Brand Portfolio segment are lower than the initial markup during periods when permanent price reductions are taken to clear product. For the majority of our Brand Portfolio segment, we determine market value based upon the net realizable value of inventory less a normal gross profit rate. We believe these policies reflect the difference in operating models between our Famous Footwear segment and our Brand Portfolio segment. Famous Footwear periodically runs promotional events to drive sales to clear seasonal inventories. The Brand Portfolio segment generally relies on permanent price reductions to clear slower-moving inventory.

The determination of markdown reserves for the Brand Portfolio segment requires significant assumptions, estimates and judgments by management, and is subject to inherent uncertainties and subjectivity. In determining markdown reserves, management considers recent and forecasted sales prices, historical gross profit rates, the length of time the product is held in inventory and quantities of various product styles contained in inventory, as well as demand, among other factors. The ultimate amount realized from the sale of certain products could differ from management estimates.

We perform physical inventory counts or cycle counts on merchandise inventory on hand throughout the year and adjust the recorded balance to reflect the results. We record estimated shrinkage between physical inventory counts based on historical results. Inventory shrinkage is included as a component of cost of goods sold.

Store Impairment Charges
We regularly analyze the results of all stores and assess the viability of underperforming stores to determine whether events or circumstances exist that indicate the stores should be closed or whether the carrying amount of their long-lived assets may not be recoverable. After allowing for an appropriate start-up period, unusual nonrecurring events or favorable trends, property and equipment at stores and the lease right-of-use assets indicated as impaired are written down to fair value as calculated using a discounted cash flow method. The fair value of the lease right-of-use assets is determined utilizing projected cash flows for each store location, discounted using a risk-adjusted discount rate, subject to a market floor based on current market lease rates. The projected cash flows of the stores (including net sales projections), discount rates and current market lease rates for the remaining lease term of the related stores used to determine fair value require significant management judgment and are the assumptions to which the fair value calculations are most sensitive.

Income Tax Valuation Allowances
We recognize deferred tax assets and liabilities for the expected future tax consequences of temporary differences between the consolidated financial statement carrying amounts and the tax bases of assets and liabilities. Valuation allowances are established if we believe that it is more-likely-than-not that some or all of our deferred tax assets will not be realized. The evaluation of the realizability of deferred tax assets requires significant assumptions, estimates and judgment by management, including estimates of future taxable income by jurisdiction. Such estimates are subject to inherent uncertainties and subjectivity.

As of January 29, 2022, we are in a three-year cumulative loss position for federal, state and certain international jurisdictions. We have valuation allowances totaling $59.0 million as of January 29, 2022, reflecting the uncertainty regarding the utilization of net operating loss carryforwards and other deferred tax assets.

Impact of Prospective Accounting Pronouncements
Recent accounting pronouncements and their impact on the Company are described in Note 1 to the consolidated financial statements.

SAFE HARBOR STATEMENT UNDER THE PRIVATE SECURITIES LITIGATION REFORM ACT OF 1995 AND FORWARD-LOOKING STATEMENTS

This *Management's Discussion and Analysis of Financial Condition and Results of Operations* contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Actual results could differ materially from those projected as they are subject to various risks and uncertainties. These risks and uncertainties include, without limitation, the risks detailed in Item 1A, *Risk Factors,* and those described in other documents and reports filed from time to time with the SEC, press releases and other communications. We do not undertake any obligation or plan to update these forward-looking statements, even though our situation may change.

ITEM 7A QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

FOREIGN CURRENCY EXCHANGE RATES

The market risk inherent in our financial instruments and positions represents the potential loss arising from adverse changes in foreign currency exchange rates and interest rates. To address these risks, we may enter into various hedging transactions. All decisions on hedging transactions are authorized and executed pursuant to our policies and procedures, which do not allow the use of financial instruments for trading purposes. We also are exposed to credit-related losses in the event of nonperformance by counterparties to these financial instruments. Counterparties to these agreements, however, are major international financial institutions, and we believe the risk of loss due to nonperformance is minimal.

A description of our accounting policies for derivative financial instruments is included in Note 1 to the consolidated financial statements.

In addition, we are exposed to translation risk because certain of our international operations use the local currency as their functional currency and those financial results must be translated into United States dollars. As currency exchange rates fluctuate, translation of our financial statements of international businesses into United States dollars affects the comparability of financial results between years.

INTEREST RATES

Our financing arrangements as of January 29, 2022 include outstanding variable-rate debt under the Credit Agreement. Changes in interest rates impact fixed and variable rate debt differently. For fixed-rate debt, a change in interest rates will only impact the fair value of the debt, whereas a change in the interest rates on variable-rate debt will impact interest expense and cash flows.

Information appearing under the caption *Fair Value Measurements* in Note 13 to the consolidated financial statements is incorporated herein by reference.

ITEM 8 FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

Management's Report on Internal Control Over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting as such term is defined in Exchange Act Rules 13a-15(f) and 15d-15(f). Under the supervision and with the participation of our management, including our principal executive officer and principal financial officer, we conducted an evaluation of the effectiveness of our internal control over financial reporting based on the framework in *Internal Control — Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 Framework). Based on our evaluation, our principal executive officer and principal financial officer have concluded that the Company's internal control over financial reporting was effective as of January 29, 2022. The effectiveness of our internal control over financial reporting as of January 29, 2022 has been audited by Ernst & Young LLP, an independent registered public accounting firm, as stated in its report, which is included herein.

Report of Independent Registered Public Accounting Firm

To the Shareholders and Board of Directors of Caleres, Inc.

Opinion on Internal Control Over Financial Reporting

We have audited Caleres, Inc.'s internal control over financial reporting as of January 29, 2022, based on criteria established in Internal Control – Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 Framework) (the COSO criteria). In our opinion, Caleres, Inc. (the Company) maintained, in all material respects, effective internal control over financial reporting as of January 29, 2022, based on the COSO criteria.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the consolidated balance sheets of Caleres, Inc. as of January 29, 2022 and January 30, 2021, the related consolidated statements of earnings (loss), comprehensive income (loss), shareholders' equity and cash flows for each of the three years in the period ended January 29, 2022, and the related notes and financial statement schedule listed in the Index at Item 15(a), and our report dated March 28, 2022 expressed an unqualified opinion thereon.

Basis for Opinion

The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting included in the accompanying Management's Report on Internal Control over Financial Reporting. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects.

Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

Definition and Limitations of Internal Control Over Financial Reporting

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

/s/ Ernst & Young LLP
St. Louis, Missouri
March 28, 2022

Report of Independent Registered Public Accounting Firm

To the Shareholders and Board of Directors of Caleres, Inc.

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of Caleres, Inc. (the Company) as of January 29, 2022 and January 30, 2021, the related consolidated statements of earnings (loss), comprehensive income (loss), shareholders' equity and cash flows for each of the three years in the period ended January 29, 2022, and the related notes and financial statement schedule listed in the Index at Item 15(a) (collectively referred to as the "consolidated financial statements"). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company at January 29, 2022 and January 30, 2021, and the results of its operations and its cash flows for each of the three years in the period ended January 29, 2022, in conformity with U.S. generally accepted accounting principles.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the Company's internal control over financial reporting as of January 29, 2022, based on criteria established in Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 Framework) and our report dated March 28, 2022 expressed an unqualified opinion thereon.

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

Critical Audit Matter

The critical audit matter communicated below is a matter arising from the current period audit of the consolidated financial statements that was communicated or required to be communicated to the audit committee and that: (1) relates to accounts or disclosures that are material to the consolidated financial statements and (2) involved our especially challenging, subjective, or complex judgments. The communication of the critical audit matter does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the account or disclosure to which it relates.

	Inventory Markdown Reserve
Description of the Matter	As described in Note 1 and Note 8, the Company had inventories of $596.8 million as of January 29, 2022 which included finished goods of $579.4 million, net of related reserves of $30.5 million. The Company provides markdown reserves to reduce the carrying values of inventories. In determining markdown reserves, the Company considers recent and forecasted sales prices, historical gross profit rates, the length of time the product is held in inventory, quantities of various product styles contained in inventory as well as demand, among other factors. Auditing the Company's Brand Portfolio markdown reserves was complex and involved a high degree of subjectivity, as it included assessing the significant assumptions, including forecasted sales prices, gross profit rates and demand.
How We Addressed the Matter in Our Audit	We obtained an understanding, evaluated the design, and tested the operating effectiveness of controls over the Company's markdown reserves determination process. This included controls over the Company's review of the significant assumptions underlying the markdown reserves estimate, as outlined above. We performed audit procedures which included, among other procedures, testing the accuracy and completeness of the underlying data used in the estimation calculations and evaluating significant assumptions, including forecasted sales prices, gross profit rates and demand. For example, we compared recent sales and gross margins of inventory items on-hand at year-end, performed a retrospective review analysis comparing sales activity in the current year to the inventory markdown reserves estimated by the Company in the prior year to evaluate management's ability to accurately estimate the markdown reserves, and developed an independent expectation of the markdown reserves using historical activity and compared our independent expectation to the markdown reserves recorded. In addition, we performed inquiries of the Company's management to evaluate the Company's estimate of the markdown reserves.

/s/ Ernst & Young LLP

We have served as the Company's auditor since 1917.

St. Louis, Missouri
March 28, 2022

Consolidated Balance Sheets

($ thousands)	**January 29, 2022**	January 30, 2021
Assets		
Current assets:		
Cash and cash equivalents	$ **30,115**	$ 88,295
Receivables, net of allowances of $29,930 in 2021 and $31,971 in 2020	**122,236**	126,994
Inventories, net of adjustment to last-in, first-out cost of $1,255 in 2021 and $793 in 2020	**596,807**	487,955
Income taxes	**33,073**	33,925
Property and equipment, held for sale	**5,455**	—
Prepaid expenses and other current assets	**48,790**	45,387
Total current assets	**836,476**	782,556
Prepaid pension costs	**99,139**	88,833
Lease right-of-use assets	**503,430**	554,303
Property and equipment, net	**150,238**	172,437
Goodwill and intangible assets, net	**227,503**	240,071
Other assets	**27,140**	28,850
Total assets	$ **1,843,926**	$ 1,867,050
Liabilities and Equity		
Current liabilities:		
Borrowings under revolving credit agreement	$ **290,000**	$ 250,000
Mandatory purchase obligation - Blowfish Malibu	**—**	39,134
Trade accounts payable	**331,470**	280,501
Employee compensation and benefits	**88,034**	48,641
Income taxes	**22,622**	5,069
Lease obligations	**128,495**	153,060
Other accrued expenses	**164,992**	129,104
Total current liabilities	**1,025,613**	905,509
Other liabilities:		
Noncurrent lease obligations	**452,909**	518,942
Long-term debt	**—**	198,851
Income taxes	**2,464**	5,038
Deferred income taxes	**14,731**	8,244
Other liabilities	**24,822**	26,612
Total other liabilities	**494,926**	757,687
Equity:		
Preferred stock, $1.00 par value, 1,000,000 shares authorized; no shares outstanding	**—**	—
Common stock, $0.01 par value, 100,000,000 shares authorized; 37,635,145 and 37,966,204 shares outstanding, net of 8,451,650 and 8,120,591 treasury shares in 2021 and 2020, respectively	**376**	380
Additional paid-in capital	**168,830**	160,446
Accumulated other comprehensive loss	**(8,606)**	(9,136)
Retained earnings	**157,970**	48,557
Total Caleres, Inc. shareholders' equity	**318,570**	200,247
Noncontrolling interests	**4,817**	3,607
Total equity	**323,387**	203,854
Total liabilities and equity	$ **1,843,926**	$ 1,867,050

See notes to consolidated financial statements.

Table of Contents

Consolidated Statements of Earnings (Loss)

($ thousands, except per share amounts)	**2021**	2020	2019
Net sales	$ **2,777,604**	$ 2,117,070	$ 2,921,562
Cost of goods sold	**1,550,287**	1,330,021	1,737,202
Gross profit	**1,227,317**	787,049	1,184,360
Selling and administrative expenses	**1,008,028**	889,489	1,065,760
Impairment of goodwill and intangible assets	**—**	286,524	—
Restructuring and other special charges, net	**13,482**	96,694	14,787
Operating earnings (loss)	**205,807**	(485,658)	103,813
Interest expense, net	**(30,930)**	(48,287)	(33,123)
Loss on early extinguishment of debt	**(1,011)**	—	—
Other income, net	**15,378**	16,834	7,903
Earnings (loss) before income taxes	**189,244**	(517,111)	78,593
Income tax (provision) benefit	**(51,081)**	78,117	(16,511)
Net earnings (loss)	**138,163**	(438,994)	62,082
Net earnings (loss) attributable to noncontrolling interests	**1,144**	120	(737)
Net earnings (loss) attributable to Caleres, Inc.	**137,019**	(439,114)	62,819
Basic earnings (loss) per common share attributable to Caleres, Inc. shareholders	$ **3.59**	$ (11.80)	$ 1.53
Diluted earnings (loss) per common share attributable to Caleres, Inc. shareholders	$ **3.56**	$ (11.80)	$ 1.53

See notes to consolidated financial statements.

Consolidated Statements of Comprehensive Income (Loss)

($ thousands)	**2021**	2020	2019
Net earnings (loss)	$ **138,163**	$ (438,994)	$ 62,082
Other comprehensive income (loss) ("OCI"), net of tax:			
Foreign currency translation adjustment	**(611)**	637	(607)
Pension and other postretirement benefits adjustments	**1,207**	22,146	(116)
Derivative financial instruments	**—**	92	516
Other comprehensive income (loss), net of tax	**596**	22,875	(207)
Comprehensive income (loss)	**138,759**	(416,119)	61,875
Comprehensive income (loss) attributable to noncontrolling interests	**1,210**	288	(702)
Comprehensive income (loss) attributable to Caleres, Inc.	$ **137,549**	$ (416,407)	$ 62,577

See notes to consolidated financial statements.

Table of Contents

Consolidated Statements of Cash Flows

($ thousands)	**2021**	2020	2019
Operating Activities			
Net earnings (loss)	$ **138,163**	$ (438,994)	$ 62,082
Adjustments to reconcile net earnings (loss) to net cash provided by operating activities:			
Depreciation	**34,069**	41,644	46,014
Amortization of capitalized software	**5,693**	5,911	6,486
Amortization of intangible assets	**12,568**	12,984	13,062
Amortization of debt issuance costs and debt discount	**874**	1,359	7,261
Fair value adjustments to Blowfish mandatory purchase obligation	**15,424**	23,934	5,955
Blowfish mandatory purchase obligation	**(45,562)**	—	—
Loss on early extinguishment of debt	**1,011**	—	—
Share-based compensation expense	**12,297**	8,097	10,246
Loss on disposal of property and equipment	**472**	2,890	1,469
Impairment charges for property, equipment, and lease right-of-use assets	**4,135**	56,343	5,867
Impairment of goodwill and intangible assets	**—**	286,524	—
Provision/adjustment for expected credit losses	**(2,242)**	10,575	773
Deferred income taxes	**6,487**	(37,034)	9,796
Changes in operating assets and liabilities:			
Receivables	**7,002**	22,465	28,768
Inventories	**(108,772)**	130,796	63,430
Prepaid expenses and other current and noncurrent assets	**(11,843)**	(12,400)	(16,833)
Trade accounts payable	**50,936**	13,373	(46,106)
Accrued expenses and other liabilities	**32,656**	30,181	(27,304)
Income taxes, net	**15,831**	(32,600)	(517)
Other, net	**(758)**	305	337
Net cash provided by operating activities	**168,441**	126,353	170,786
Investing Activities			
Purchases of property and equipment	**(18,393)**	(16,786)	(44,533)
Disposals of property and equipment	**—**	—	636
Capitalized software	**(5,752)**	(5,274)	(5,619)
Net cash used for investing activities	**(24,145)**	(22,060)	(49,516)
Financing Activities			
Borrowings under revolving credit agreement	**632,000**	438,500	288,500
Repayments under revolving credit agreement	**(592,000)**	(463,500)	(348,500)
Redemption of senior notes	**(200,000)**	—	—
Dividends paid	**(10,648)**	(10,764)	(11,422)
Blowfish Malibu mandatory purchase obligation	**(8,996)**	—	—
Debt issuance costs	**(1,190)**	—	—
Acquisition of treasury stock	**(16,965)**	(23,348)	(33,424)
Issuance of common stock under share-based plans, net	**(3,910)**	(1,135)	(2,644)
Contributions by noncontrolling interests, net	**—**	139	2,500
Other	**(676)**	(1,198)	(1,342)
Net cash used for financing activities	**(202,385)**	(61,306)	(106,332)
Effect of exchange rate changes on cash and cash equivalents	**(91)**	90	80
(Decrease) increase in cash and cash equivalents	**(58,180)**	43,077	15,018
Cash and cash equivalents at beginning of period	**88,295**	45,218	30,200
Cash and cash equivalents at end of period	$ **30,115**	$ 88,295	$ 45,218

See notes to consolidated financial statements, including the supplemental disclosures on cash flows in Note 1.

Consolidated Statements of Shareholders' Equity

($ thousands, except number of shares and per share amounts)	Common Stock Shares	Common Stock Dollars	Additional Paid-In Capital	Accumulated Other Comprehensive (Loss) Income	Retained Earnings	Total Caleres, Inc. Shareholders' Equity	Non-controlling Interests	Total Equity
BALANCE FEBRUARY 2, 2019	41,886,562	$ 419	$ 145,889	$ (31,601)	$ 519,346	$ 634,053	$ 1,382	$ 635,435
Net earnings (loss)					62,819	62,819	(737)	62,082
Foreign currency translation adjustment				(642)		(642)	35	(607)
Unrealized gain on derivative financial instruments, net of tax of $127				516		516		516
Pension and other postretirement benefits adjustments, net of tax of $42				(116)		(116)		(116)
Comprehensive (loss) income				(242)	62,819	62,577	(702)	61,875
Contributions by noncontrolling interests							2,500	2,500
Dividends ($0.28 per share)					(11,422)	(11,422)		(11,422)
Acquisition of treasury stock	(1,704,240)	(17)			(33,407)	(33,424)		(33,424)
Issuance of common stock under share-based plans, net	214,435	2	(2,646)			(2,644)		(2,644)
Cumulative-effect adjustment from adoption of ASC 842					(13,436)	(13,436)		(13,436)
Share-based compensation expense			10,246			10,246		10,246
BALANCE FEBRUARY 1, 2020	40,396,757	$ 404	$ 153,489	$ (31,843)	$ 523,900	$ 645,950	$ 3,180	$ 649,130
Net (loss) earnings					(439,114)	(439,114)	120	(438,994)
Foreign currency translation adjustment				469		469	168	637
Unrealized gain on derivative financial instruments, net of tax of $31				92		92		92
Pension and other postretirement benefits adjustments, net of tax of $7,671				22,146		22,146		22,146
Comprehensive income (loss)				22,707	(439,114)	(416,407)	288	(416,119)
Contributions by noncontrolling interests, net							139	139
Dividends ($0.28 per share)					(10,764)	(10,764)		(10,764)
Acquisition of treasury stock	(2,902,122)	(29)			(23,319)	(23,348)		(23,348)
Issuance of common stock under share-based plans, net	471,569	5	(1,140)			(1,135)		(1,135)
Cumulative-effect adjustment from adoption of ASC 326					(2,146)	(2,146)		(2,146)
Share-based compensation expense			8,097			8,097		8,097
BALANCE JANUARY 30, 2021	37,966,204	$ 380	$ 160,446	$ (9,136)	$ 48,557	$ 200,247	$ 3,607	$ 203,854
Net earnings					**137,019**	**137,019**	**1,144**	**138,163**
Foreign currency translation adjustment				**(677)**		**(677)**	**66**	**(611)**
Pension and other postretirement benefits adjustments, net of tax of $444				**1,207**		**1,207**		**1,207**
Comprehensive income				**530**	**137,019**	**137,549**	**1,210**	**138,759**
Dividends ($0.28 per share)					**(10,648)**	**(10,648)**		**(10,648)**
Acquisition of treasury stock	**(661,265)**	**(7)**			**(16,958)**	**(16,965)**		**(16,965)**
Issuance of common stock under share-based plans, net	**330,206**	**3**	**(3,913)**			**(3,910)**		**(3,910)**
Share-based compensation expense			**12,297**			**12,297**		**12,297**
BALANCE JANUARY 29, 2022	**37,635,145**	$ **376**	$ **168,830**	$ **(8,606)**	$ **157,970**	$ **318,570**	$ **4,817**	$ **323,387**

See notes to consolidated financial statements.

Notes to Consolidated Financial Statements

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization
Caleres, Inc., originally founded as Brown Shoe Company in 1878 and incorporated in 1913, is a global footwear company. The Company's shares are traded under the "CAL" symbol on the New York Stock Exchange.

The Company provides a broad offering of licensed, branded and private-label athletic, casual and dress footwear products to women, men and children. The footwear is sold at a variety of price points through multiple distribution channels both domestically and internationally. The Company currently operates 980 retail shoe stores in the United States, Canada, China and Guam under the Famous Footwear, Sam Edelman, Naturalizer and Allen Edmonds names. In addition, through its Brand Portfolio segment, the Company designs, sources, manufactures and markets footwear to retail stores domestically and internationally, including online retailers, national chains, department stores, mass merchandisers and independent retailers. Refer to Note 2 to the consolidated financial statements for additional information regarding the Company's revenue by category and Note 7 for discussion of the Company's business segments.

The Company's business is seasonal in nature due to consumer spending patterns with higher back-to-school and holiday season sales. Although the third fiscal quarter has historically accounted for a substantial portion of the Company's earnings for the year, the Company is beginning to experience more equal distribution among the quarters.

Certain prior period amounts in the notes to the consolidated financial statements have been reclassified to conform to the current period presentation. These reclassifications did not affect net earnings (loss) attributable to Caleres, Inc.

Consolidation
The consolidated financial statements include the accounts of the Company and its wholly-owned and majority-owned subsidiaries, after the elimination of intercompany accounts and transactions.

Noncontrolling Interests
Noncontrolling interests in the Company's consolidated financial statements result from the accounting for noncontrolling interests in partially-owned consolidated subsidiaries or affiliates. During 2019, the Company entered into a joint venture with Brand Investment Holding Limited ("Brand Investment Holding"), a member of the Gemkell Group, to sell branded footwear in China, including Sam Edelman, Naturalizer and other brands. The Company and Brand Investment Holding are each 50% owners of the joint venture, which is named CLT Brand Solutions ("CLT"). During 2020, CLT was funded with $3.0 million in capital contributions, including $1.5 million from the Company and $1.5 million from Brand Investment Holding. In 2019, CLT was funded with $5.0 million in capital contributions, including $2.5 million from the Company and $2.5 million from Brand Investment Holding. Net sales and operating earnings of CLT were $17.5 million and $1.2 million, respectively, in 2021. Net sales and operating earnings were immaterial in both 2020 and 2019.

The Company had a joint venture agreement with a subsidiary of C. banner International Holdings Limited ("CBI") to market Naturalizer footwear in China. The Company was a 51% owner of the joint venture ("B&H Footwear"), with CBI owning the other 49%. The license enabling the joint venture to market the footwear expired in August 2017 and the parties are in the process of dissolving their joint venture arrangements.

The Company consolidates CLT and B&H Footwear into its consolidated financial statements. Net earnings (loss) attributable to noncontrolling interests represents the share of net earnings or losses that are attributable to Brand Investment Holding and CBI. Transactions between the Company and the joint ventures have been eliminated in the consolidated financial statements.

Accounting Period
The Company's fiscal year is the 52- or 53-week period ending the Saturday nearest to January 31. Fiscal years 2021, 2020 and 2019, all of which included 52 weeks, ended on January 29, 2022, January 30, 2021 and February 1, 2020, respectively.

Use of Estimates
The preparation of financial statements in conformity with generally accepted accounting principles ("GAAP") requires management to make estimates and assumptions that affect the amounts reported in the consolidated financial statements and accompanying notes. Actual results could differ from those estimates.

COVID-19 Pandemic
The United States and global economies continue to be adversely affected by the coronavirus ("COVID-19") pandemic. Variants of the virus have emerged, resulting in additional shutdowns and supply chain disruptions. During 2020, the Company's financial results were adversely impacted by COVID-19, driven by the temporary closure of all retail store locations for a portion of the first half of 2020. The Company took actions to manage its resources conservatively to mitigate the adverse impact of the pandemic, including reductions in the workforce, associate furloughs for a significant portion of the workforce during the first half of 2020, and reductions in salary for most remaining associates, as well as a reduction in the cash retainers for the Board of Directors through the end of the second quarter; reducing inventory purchases; reducing marketing expenses; and minimizing costs associated with the temporarily closed retail facilities.

In 2020, the Coronavirus Aid, Relief and Economic Security ("CARES") Act was enacted. The CARES Act includes a provision that allowed the Company to defer the employer portion of social security payroll tax payments that would have been paid between the enactment date and December 31, 2020, with 50% payable by December 31, 2021 and 50% payable by December 31, 2022. As of January 29, 2022, the Company has deferred $5.0 million of employer social security payroll taxes, which are payable by December 31, 2022 and presented in other accrued expenses on the consolidated balance sheet. As of January 30, 2021, the Company had deferred $9.4 million of employer social security payroll taxes, of which $4.7 million are presented in other accrued expenses and $4.7 million are presented in other liabilities on the consolidated balance sheet. In addition, as further discussed below and in Note 6 to the consolidated financial statements, the CARES Act permits the carryback of certain current operating losses to prior years, which resulted in an incremental tax benefit of $8.2 million in 2020.

Refer to further discussion of the impact of the pandemic on the Company's business throughout this document, including Note 4, Note 6, Note 10 and Note 12 to the consolidated financial statements.

Cash and Cash Equivalents
The Company considers all highly liquid investments with maturities of three months or less when purchased to be cash equivalents. The Company had an immaterial amount of restricted cash as of January 29, 2022 and January 30, 2021.

Receivables
In accordance with Accounting Standards Codification ("ASC") Topic 326, *Financial Instruments - Credit Losses,* the Company estimates and records an expected lifetime credit loss on accounts receivable by utilizing credit ratings and other customer-related information, as well as historical loss experience. The allowance for expected credit losses is adjusted for current conditions and reasonable and supportable forecasts. The Company recognized an adjustment to the provision for expected credit losses of $2.2 million in 2021 and a provision for expected credit losses of $10.6 million and $0.8 million in 2020 and 2019, respectively. As a result of the COVID-19 pandemic, the financial results of many of the Company's wholesale customers were adversely impacted due to store closures during the first half of 2020. Many of those customers also experienced deterioration in their credit ratings, which resulted in higher expected credit losses for the Company and an increase in expense in 2020, as well as a corresponding increase in uncollectible accounts written off in 2021.

Customer allowances represent reserves against the Company's wholesale customers' accounts receivable for margin assistance, product returns, customer deductions and co-op advertising allowances. The Company estimates the reserves needed for margin assistance by reviewing inventory levels on the retail floors, sell-through rates, historical dilution, current gross margin levels and other performance indicators of our major retail customers. Product returns and customer deductions are estimated using historical experience and anticipated future trends. Co-op advertising allowances are estimated based on customer agreements. The Company recognized a provision for customer allowances of $26.1 million in 2020, $20.4 million in 2020 and $62.7 million in 2019.

Customer discounts represent reserves against the Company's accounts receivable for discounts that wholesale customers may take based on meeting certain order, payment or return guidelines. The Company estimates the reserves needed for customer discounts based upon customer net sales and respective agreement terms. The Company recognized a provision for customer discounts of $7.5 million in 2021, $11.7 million in 2020 and $12.0 million in 2019.

Inventories
The Company values inventories at the lower of cost or market for approximately 89% of consolidated inventories, which represents divisions using the last-in, first-out ("LIFO") method. For the remaining portion, the Company's inventories are valued at the lower of cost or net realizable value. For inventory valued at LIFO, the Company regularly reviews the inventory for excess, obsolete or impaired inventory, and writes it down to the lower of cost or market. An actual valuation of inventory under the LIFO method can be made only at the end of each year based on the inventory levels and costs at that time. If the first-in, first-out ("FIFO") method had been used, consolidated inventories would have been $1.3 million and $0.8 million higher at January 29, 2022 and January 30, 2021, respectively. In the fourth quarter of 2020, a reduction in inventory quantities associated with the ongoing exit of the Naturalizer retail business resulted in a liquidation of LIFO layers and reduction of the LIFO reserve of $2.9 million, with a corresponding reduction of cost of goods sold. Refer to Note 8 to the consolidated financial statements for additional information related to inventories.

The Company applies judgment in determining the market value of inventory, which requires an estimate of net realizable value, including current and expected selling prices, costs to sell and normal gross profit rates. The method used to determine market value varies by business division, based on the unique operating models. At the Famous Footwear segment and certain operations within the Brand Portfolio segment, market value is determined based on net realizable value less an estimate of expected costs to be incurred to sell the product. Accordingly, the Company records markdowns when it becomes evident that inventory items will be sold at prices below cost. As a result, gross profit rates at the Famous Footwear segment and, to a lesser extent, the Brand Portfolio segment are lower than the initial markup during periods when permanent price reductions are taken to clear product. For the majority of the Brand Portfolio segment, the Company determines market value based upon the net realizable value of inventory less a normal gross profit rate. The Company believes these policies reflect the difference in operating models between the Famous Footwear and Brand Portfolio segments. Famous Footwear periodically runs promotional events to drive sales to clear seasonal inventories. The Brand Portfolio segment generally relies on permanent price reductions to clear slower-moving inventory.

The determination of markdown reserves for the Brand Portfolio segment requires significant assumptions, estimates and judgments by management, and is subject to inherent uncertainties and subjectivity. In determining markdown reserves, management considers recent and forecasted sales prices, historical gross profit rates, the length of time the product is held in inventory and quantities of various product styles contained in inventory, as well as demand, among other factors. The ultimate amount realized from the sale of certain products could differ from management estimates.

The costs of inventory, inbound freight and duties, markdowns, shrinkage and royalty expense are classified in cost of goods sold. Costs of warehousing and distribution are classified in selling and administrative expenses and are expensed as incurred. Such warehousing and distribution costs totaled $99.5 million, $84.0 million and $106.0 million in 2021, 2020 and 2019, respectively. Costs of overseas sourcing offices and other inventory procurement costs are reflected in selling and administrative expenses and are expensed as incurred. Such sourcing and procurement costs totaled $22.2 million, $18.6 million and $23.1 million in 2021, 2020 and 2019, respectively.

The Company performs physical inventory counts or cycle counts on all merchandise inventory on hand throughout the year and adjusts the recorded balance to reflect the results. The Company records estimated shrinkage between physical inventory counts based on historical results.

Computer Software Costs
The Company capitalizes certain costs in other assets, including internal payroll costs incurred in connection with the development or acquisition of software for internal use. Other assets on the consolidated balance sheets include $14.1 million and $15.5 million of computer software costs as of January 29, 2022 and January 30, 2021, respectively, which are net of accumulated amortization of $130.3 million and $131.1 million as of the end of the respective periods. In addition, other assets on the consolidated balance sheets include $7.7 million and $9.6 million of implementation costs for

software as a service as of January 29, 2022 and January 30, 2021, respectively, which are net of accumulated amortization of $2.7 million and $0.6 million as of the end of the respective periods.

Property and Equipment
Property and equipment are stated at cost. Depreciation of property and equipment is provided over the estimated useful lives of the assets or the remaining lease terms, where applicable, using the straight-line method.

Interest Expense
Capitalized Interest
Interest costs for major asset additions are capitalized during the construction or development period and amortized over the lives of the related assets. There was no interest capitalized in 2021 or 2020. The Company capitalized interest of $0.6 million in 2019 related to the new company-operated Brand Portfolio warehouse facilities in California.

Interest Expense
Interest expense includes interest for borrowings under both the Company's short-term and long-term debt, net of amounts capitalized, as well as fair value adjustments on the mandatory purchase obligation from the acquisition of Blowfish Malibu, as further described in Note 4 to the consolidated financial statements. Interest expense also includes fees paid under the short-term revolving credit agreement for the unused portion of its line of credit, and the amortization of deferred debt issuance costs and debt discount.

Goodwill and Intangible Assets
Goodwill and intangible assets deemed to have indefinite lives are not amortized but are subject to annual impairment tests. In accordance with ASC 350, *Intangibles-Goodwill and Other*, the Company is permitted, but not required, to qualitatively assess indicators of a reporting unit's fair value when it is unlikely that a reporting unit is impaired. If a quantitative test is deemed necessary, a discounted cash flow analysis is prepared to estimate fair value. A fair value-based test is applied at the reporting unit level, which is generally at or one level below the operating segment level. The test compares the fair value of the Company's reporting units to the carrying value of those reporting units. This test requires significant assumptions, estimates and judgments by management, and is subject to inherent uncertainties and subjectivity. The fair value of the reporting unit is determined using both a market approach and discounted cash flow analysis. The market approach method includes the use of multiples of comparable publicly-traded companies. The discounted cash flow approach estimates the fair value of the reporting unit using projected cash flows of the reporting unit and a risk-adjusted discount rate to compute a net present value of future cash flows. Projected net sales, gross profit, selling and administrative expense, capital expenditures and working capital requirements are based on the Company's internal projections. Discount rates reflect market-based estimates of the risks associated with the projected cash flows of the reporting units directly resulting from the use of its assets in its operations. Assumptions that market participants may use are also considered. The estimate of the fair values of the Company's reporting units is based on the best information available to the Company's management as of the date of the assessment. Goodwill impairment is recorded if the fair value of the tangible and intangible assets exceeds the fair value of the reporting unit, not to exceed the carrying value of goodwill.

The Company performs its goodwill impairment assessment as of the first day of the fourth quarter of each fiscal year unless events indicate an interim test is required. In 2021, the Company elected to perform the qualitative assessment for the goodwill associated with the Blowfish Malibu reporting unit, resulting in no impairment. During the first quarter of 2020, as a result of the significant decline in the Company's share price and market capitalization, and the impact of COVID-19 on business operations, the Company determined that an interim assessment of goodwill was required and performed the quantitative assessment for all reporting units as of May 2, 2020. The interim assessment indicated that the carrying value of the goodwill associated with the Brand Portfolio and Vionic reporting units exceeded the carrying value, resulting in non-cash goodwill impairment charges totaling $240.3 million in the first quarter of 2020. In addition to the interim assessment, an impairment review of the goodwill associated with the Blowfish Malibu reporting unit was performed as of the first day of the fourth fiscal quarter, which indicated no impairment. In 2019, the Company elected to perform the quantitative assessment for all reporting units and determined that the fair values of the reporting units exceeded the carrying values, resulting in no impairment. Refer to Note 10 to the consolidated financial statements for further discussion of goodwill and intangible assets.

The Company performs impairment tests on its indefinite-lived intangible assets as of the first day of the fourth quarter of each fiscal year unless events indicate an interim test is required. Definite-lived intangible assets are amortized over their useful lives and are reviewed for impairment if and when impairment indicators are present. The indefinite-lived intangible asset impairment reviews performed as of the first day of the Company's fourth fiscal quarter in 2021 and 2019 resulted in no impairment charges. During the first quarter of 2020, as a result of the triggering event from the economic impacts of COVID-19, an interim assessment of the Company's indefinite-lived intangible assets was performed as of May 2, 2020. The impairment review resulted in total impairment charges of $22.4 million in the first quarter of 2020, including $12.2 million associated with the indefinite-lived Allen Edmonds trade name and $10.2 million of impairment associated with the indefinite-lived Via Spiga trade name. In addition to the interim assessment, the Company evaluated the indefinite-lived intangible assets and the definite-lived Allen Edmonds customer relationship intangible asset as of the first day of the fourth fiscal quarter. These impairment reviews resulted in additional impairment totaling $23.8 million, consisting of $19.8 million associated with the Allen Edmonds tradename and $4.0 million associated with the Allen Edmonds customer relationships intangible asset. Refer to Note 10 to the consolidated financial statements for further discussion.

Self-Insurance Reserves

The Company is self-insured and/or retains high deductibles for a significant portion of its workers' compensation, health, disability, cyber risk, general liability, automobile and property programs, among others. Liabilities associated with the risks that are retained by the Company are estimated by considering historical claims experience, trends of the Company and the industry and other actuarial assumptions. The estimated accruals for these liabilities could be affected if development of costs on claims differ from these assumptions and historical trends. Based on available information as of January 29, 2022, the Company believes it has provided adequate reserves for its self-insurance exposure. As of January 29, 2022 and January 30, 2021, self-insurance reserves were $11.4 million and $10.4 million, respectively.

Revenue Recognition

Retail sales, recognized at the point of sale, are recorded net of returns and exclude sales tax. Wholesale sales are recorded, net of returns, allowances and discounts, when obligations under the terms of a contract with the consumer are satisfied. This generally occurs at the time of transfer of control of merchandise. The Company considers several control indicators in its assessment of the timing of the transfer of control, including significant risks and rewards of ownership, physical possession and the Company's right to receive payment. Revenue is measured as the amount of consideration the Company expects to receive in exchange for transferring merchandise. Reserves for projected merchandise returns, discounts and allowances are determined based on historical experience and current expectations. Revenue is recognized on license fees related to Company-owned brand names, where the Company is the licensor, when the related sales of the licensee are made. The Company applies the guidance using the portfolio approach in ASC 606, *Revenue from Contracts with Customers,* because this methodology would not differ materially from applying the guidance to the individual contracts within the portfolio. The Company excludes sales and similar taxes collected from customers from the measurement of the transaction price for its retail sales.

Gift Cards

The Company sells gift cards to its customers in its retail stores, through its e-commerce sites and at other retailers. The Company's gift cards do not have expiration dates or inactivity fees. The Company recognizes revenue from gift cards when (i) the gift card is redeemed by the consumer or (ii) the likelihood of the gift card being redeemed by the consumer is remote ("gift card breakage") and the Company determines that it does not have a legal obligation to remit the value of unredeemed gift cards to the relevant jurisdictions. The gift card breakage rate is determined based upon historical redemption patterns. Gift card breakage is recognized during the 24-month period following the sale of the gift card, according to the Company's historical redemption pattern. Gift card breakage income is included in net sales in the consolidated statements of earnings (loss) and the liability established upon the sale of a gift card is included in other accrued expenses within the consolidated balance sheets. The Company recognized gift card breakage of $1.0 million, $0.7 million and $1.1 million in 2021, 2020 and 2019, respectively.

Loyalty Program

The Company maintains a loyalty program at Famous Footwear, through which consumers earn points toward savings certificates for qualifying purchases. Upon reaching specified point values, consumers are issued a savings certificate that may be redeemed for purchases at Famous Footwear. Savings certificates earned must be redeemed within stated expiration dates. In addition to the savings certificates, the Company also offers exclusive member discounts. The value of points and rewards earned by Famous Footwear's loyalty program members are recorded as a reduction of net sales and a liability is established within other accrued expenses at the time the points are earned based on historical conversion and redemption rates. Approximately 78% of net sales in the Famous Footwear segment were made to its loyalty program members in 2021, compared to 79% in 2020. As of January 29, 2022 and January 30, 2021, the Company had a loyalty program liability of $18.8 million and $14.0 million, respectively, which is included in other accrued expenses on the consolidated balance sheets.

Store Impairment Charges

The Company regularly analyzes the results of all of its stores and assesses the viability of underperforming stores to determine whether events or circumstances exist that indicate the stores should be closed or whether the carrying amount of their long-lived assets may not be recoverable. After allowing for an appropriate start-up period, unusual nonrecurring events or favorable trends, property and equipment at stores and the lease right-of-use asset, indicated as impaired are written down to fair value as calculated using a discounted cash flow method. The Company recorded asset impairment charges, primarily for operating lease right-of-use assets, leasehold improvements, and furniture and fixtures in the Company's retail stores, of $4.1 million, $56.3 million and $5.9 million in 2021, 2020 and 2019, respectively. Impairment charges were higher in 2020 as a result of the adverse economic conditions driven by the COVID-19 pandemic.

Advertising and Marketing Expense

Advertising and marketing costs are expensed as incurred, except for the costs of direct response advertising that relate primarily to the production and distribution of the Company's catalogs and coupon mailers. Direct response advertising costs are capitalized and amortized over the expected future revenue stream, which is generally one to three months from the date the materials are mailed. External production costs of advertising are expensed when the advertising first appears in the media or in the store.

In addition, the Company participates in co-op advertising programs with certain of its wholesale customers. For those co-op advertising programs where the Company has validated the fair value of the advertising received, co-op advertising costs are reflected as advertising expense within selling and administrative expenses. Otherwise, co-op advertising costs are reflected as a reduction of net sales.

Total advertising and marketing expense was $118.1 million, $77.9 million and $100.9 million in 2021, 2020 and 2019, respectively. These costs were offset by co-op advertising allowances recovered by the Company's retail business of $5.4 million, $3.4 million and $7.8 million in 2021, 2020 and 2019, respectively. Total co-op advertising costs reflected as a reduction of net sales were $10.8 million in 2021, $7.2 million in 2020 and $13.3 million in 2019. Total advertising costs attributable to future periods that are deferred and recognized as a component of prepaid expenses and other current assets were $4.4 million and $4.6 million at January 29, 2022 and January 30, 2021, respectively.

Income Taxes

The Company recognizes deferred tax assets and liabilities for the expected future tax consequences of temporary differences between the consolidated financial statement carrying amounts and the tax bases of its assets and liabilities. The Company establishes valuation allowances if it believes that it is more-likely-than-not that some or all of its deferred tax assets will not be realized. The Company does not recognize a tax benefit unless it concludes that it is more-likely-than-not that the benefit will be sustained on audit by the taxing authority based solely on the technical merits of the associated tax position. If the recognition threshold is met, the Company recognizes a tax benefit measured at the largest amount of the tax benefit that, in its judgment, is greater than 50% likely to be realized. The Company records interest and penalties related to unrecognized tax positions within the income tax (provision) benefit on the consolidated statements of earnings (loss).

Operating Leases

The Company leases all of its retail locations, a manufacturing facility and certain office locations, distribution centers and equipment under operating leases. Approximately 38% of the leases entered into by the Company include options that allow the Company to extend the lease term beyond the initial commitment period, subject to terms agreed to at lease inception. Some leases also include early termination options that can be exercised under specific conditions. In accordance with ASC Topic 842, *Leases* ("ASC 842"), lease right-of-use assets and lease liabilities are recognized based on the present value of the future minimum lease payments over the lease term. The majority of the Company's leases do not provide an implicit rate and therefore, the Company uses an incremental borrowing rate based on the information available at the commencement date, including implied traded debt yield and seniority adjustments, to determine the present value of future payments. Lease expense for the minimum lease payments is recognized on a straight-line basis over the lease term. Variable lease payments are expensed as incurred. During 2020, the Company elected to account for COVID-19-related lease concessions as though the enforceable rights and obligations existed in the original lease and accordingly, treated those lease concessions as variable rent.

Contingent Rentals
Many of the leases covering retail stores require contingent rental payments in addition to the minimum monthly rental charge based on retail sales volume. The Company excludes from lease payments any variable payments that are not based on an index or market. If payment for a lease is fully contingent on sales, such as a percentage of sales gross rent lease, none of the lease payments are included in the lease right-of-use asset or the lease liability.

Construction Allowances Received From Landlords
At the time its retail facilities are initially leased, the Company often receives consideration from landlords to be applied against the cost of leasehold improvements necessary to open the store. The Company treats these construction allowances as a lease incentive. In accordance with ASC 842, the allowances are recorded within the lease right-of-use asset and amortized to income over the lease term as a reduction of rent expense.

Straight-Line Rents and Rent Holidays
The Company records rent expense on a straight-line basis over the lease term for all of its leased facilities. For leases that have predetermined fixed escalations of the minimum rentals, the Company recognizes the related rental expense on a straight-line basis and records the difference between the recognized rental expense and amounts payable under the lease as the lease right-of-use asset. At the time its retail facilities are leased, the Company is frequently not charged rent for a specified period of time, typically 30 to 60 days, while the store is being prepared for opening. This rent-free period is referred to as a rent holiday. The Company recognizes rent expense over the lease term, including any rent holiday, within selling and administrative expenses on the consolidated statements of earnings (loss).

Pre-opening Costs
Pre-opening costs associated with opening retail stores, including payroll, supplies and facility costs, are expensed as incurred.

Earnings (Loss) Per Common Share Attributable to Caleres, Inc. Shareholders
The Company uses the two-class method to calculate basic and diluted earnings (loss) per common share attributable to Caleres, Inc. shareholders. Unvested restricted stock awards are considered participating units because they entitle holders to non-forfeitable rights to dividends or dividend equivalents during the vesting term. Under the two-class method, basic earnings (loss) per common share attributable to Caleres, Inc. shareholders is computed by dividing the net earnings (loss) attributable to Caleres, Inc. after allocation of earnings to participating securities by the weighted-average number of common shares outstanding during the year. Diluted earnings (loss) per common share attributable to Caleres, Inc. shareholders is computed by dividing the net earnings (loss) attributable to Caleres, Inc. after allocation of earnings to participating securities by the weighted-average number of common shares and potential dilutive securities outstanding during the year. Potential dilutive securities consist of outstanding stock options and contingently issuable shares for the Company's performance share awards. Refer to Note 3 to the consolidated financial statements for additional information related to the calculation of earnings (loss) per common share attributable to Caleres, Inc. shareholders.

Comprehensive Income (Loss)
Comprehensive income (loss) includes the effect of foreign currency translation adjustments, pension and other postretirement benefits adjustments and unrealized gains or losses from derivatives used for hedging activities.

Foreign Currency Translation Adjustment
For certain of the Company's international subsidiaries, the local currency is the functional currency. Assets and liabilities of these subsidiaries are translated into United States dollars at the period-end exchange rate or historical rates as appropriate. Consolidated statements of earnings (loss) amounts are translated at average exchange rates for the period.

The cumulative translation adjustments resulting from changes in exchange rates are included in the consolidated balance sheets as a component of accumulated other comprehensive loss in total Caleres, Inc. shareholders' equity. Transaction gains and losses are included in the consolidated statements of earnings (loss).

Pension and Other Postretirement Benefits Adjustments
The Company determines the expense and obligations for retirement and other benefit plans using assumptions related to discount rates, expected long-term rates of return on invested plan assets, expected salary increases and certain employee-related factors. The Company determines the fair value of plan assets and benefit obligations as of the January 31 measurement date. The unrecognized portion of the gain or loss on plan assets is included in the consolidated balance sheets as a component of accumulated other comprehensive loss in total Caleres, Inc. shareholders' equity and is recognized into the plans' expense over time. Refer to additional information related to pension and other postretirement benefits in Note 5 and Note 14 to the consolidated financial statements.

Derivative Financial Instruments
In the normal course of business, the Company's financial results are impacted by currency rate movements in foreign-currency-denominated assets, liabilities and cash flows as it makes a portion of its purchases and sales in local currencies. The Company evaluates its exposure to volatility in foreign currency rates and may enter into derivative transactions that are intended to mitigate a portion of the effect of exchange rate fluctuations. The Company's hedging strategy permits the use of forward contracts as cash flow hedging instruments to manage its currency exposures. These derivative financial instruments are viewed as risk management tools and are not used for trading or speculative purposes. The Company recognizes all derivative financial instruments as either assets or liabilities in the consolidated balance sheets and measures those instruments at fair value. The effective portion of gains and losses resulting from changes in the fair value of these hedge instruments are deferred in accumulated other comprehensive loss ("OCL") and reclassified to earnings in the period that the hedged transaction is recognized in earnings.

Litigation Contingencies
The Company is the defendant in several claims and lawsuits arising in the ordinary course of business. The Company believes the outcome of such proceedings and litigation currently pending will not have a material adverse effect on the consolidated financial position or results of operations. The Company accrues its best estimate of the cost of resolution of these claims. Legal defense costs of such claims are recognized in the period in which the costs are incurred. Refer to Note 16 to the consolidated financial statements for further discussion of commitments and contingencies.

Environmental Matters
The Company is involved in environmental remediation and ongoing compliance activities at several sites. The Company is remediating, under the oversight of Colorado authorities, the groundwater and indoor air at its owned facility and residential neighborhoods adjacent to and near the property, which have been affected by solvents previously used at the facility. In addition, various federal and state authorities have identified the Company as a potentially responsible party for remediation at certain other sites. The Company's prior operations included numerous manufacturing and other facilities for which the Company may have responsibility under various environmental laws to address conditions that may be identified in the future. Refer to Note 16 to the consolidated financial statements for additional information.

Environmental expenditures relating to an existing condition caused by past operations and that do not contribute to current or future revenue generation are expensed. Based upon independent environmental assessments, liabilities are recorded when remedial action is considered probable and the costs can be reasonably estimated and are evaluated independently of any future claims recovery. Generally, the timing of these accruals coincides with completion of a feasibility study or the Company's commitment to a formal plan of action, and our estimates of cost are subject to change as new information becomes available. Costs of future expenditures for environmental remediation obligations are discounted to their present value in those situations requiring only continuing maintenance and monitoring based upon a schedule of fixed payments.

Share-Based Compensation
The Company has share-based incentive compensation plans under which certain officers, employees and members of the Board of Directors are participants and may be granted restricted stock, stock performance awards and stock options. Additionally, share-based grants may be made to non-employee members of the Board of Directors in the form of restricted stock units ("RSUs") payable in cash or the Company's common stock. The Company accounts for share-based

compensation in accordance with the fair value recognition provisions of ASC 718, *Compensation – Stock Compensation*, and ASC 505, *Equity*, which require all share-based payments to employees and members of the Board of Directors, including grants of employee stock options, to be recognized as expense in the consolidated financial statements based on their fair values. The fair value of stock options is estimated using the Black-Scholes option pricing formula that requires assumptions for expected volatility, expected dividends, the risk-free interest rate and the expected term of the option. Stock options generally vest over four years, with 25% vesting annually and expense is recognized on a straight-line basis separately for each vesting portion of the stock option award. Expense for restricted stock is based on the fair value of the restricted stock on the date of grant. Expense for graded-vesting grants is recognized ratably over the respective vesting periods, which is generally 50% over two years and 50% over three years, and expense for cliff-vesting grants is recognized on a straight-line basis over the vesting period, which is generally one year. Expense for stock performance awards is recognized based upon the fair value of the awards on the date of grant and the anticipated number of shares or units to be awarded on a straight-line basis over the respective term of the award, or individual vesting portion of an award. Expense for the initial grant of RSUs is recognized ratably over the one-year vesting period based upon the fair value of the RSUs, and for cash-equivalent RSUs, is remeasured at the end of each period. The Company accounts for forfeitures of share-based grants as they occur. If the anticipated number of shares to be awarded changes significantly, share-based compensation expense may differ materially in the future from that recorded in the current period. Refer to additional information related to share-based compensation in Note 15 to the consolidated financial statements.

Consolidated Statements of Cash Flows Supplemental Disclosures
The Company made payments for federal, state and international taxes, net of refunds, of $29.3 million, and $10.2 million in 2021 and 2019, respectively, and received refunds, net of payments, of $0.6 million in 2020. Refer to Note 6 to the consolidated financial statements for further information regarding income taxes.

Cash payments of interest for the Company's borrowings under the revolving credit agreement and long-term debt during 2021, 2020 and 2019 were $20.4 million, $23.6 million and $26.8 million, respectively. Refer to Note 11 to the consolidated financial statements for further discussion regarding the Company's financing arrangements.

Impact of Recently Adopted Accounting Pronouncements
In August 2018, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2018-14, *Compensation — Retirement Benefits — Defined Benefit Plans — General (Subtopic 715-20), Disclosure Framework — Changes to the Disclosure Requirements for Defined Benefit Plans.* The guidance changes the disclosure requirements for employers that sponsor defined benefit pension or other postretirement benefit plans, eliminating the requirements for certain disclosures that are no longer considered cost beneficial and requiring new disclosures that the FASB considers pertinent. The Company adopted the ASU during the first quarter of 2021, which did not have a material impact on the Company's financial statement disclosures.

In December 2019, the FASB issued ASU 2019-12, *Simplifying the Accounting for Income Taxes*. ASU 2019-12 eliminates certain exceptions in ASC 740 related to intraperiod tax allocation, simplifies certain elements of accounting for basis differences and deferred tax liabilities during a business combination, and standardizes the classification of franchise taxes. The Company adopted ASU 2019-12 during the first quarter of 2021, which did not have a material impact on the Company's consolidated financial statements.

In November 2020, the SEC issued SEC Release No. 33-10890, *Management's Discussion and Analysis, Selected Financial Data and Supplementary Financial Information*. The rule amends existing requirements in Regulation S-K for disclosures related to management's discussion and analysis and certain financial disclosure requirements. The final rule became effective on February 10, 2021 and the amendments are required for a registrant's first fiscal year ending on or after August 9, 2021, with early adoption permitted on an item-by item basis. The Company adopted the amendments associated with Items 301 and 302 of the rule during 2020. The remaining provisions of the rule are reflected in this Form 10-K and did not have a material impact on the Company's financial statement disclosures.

Impact of Prospective Accounting Pronouncements
The Company has evaluated all recently issued, but not yet effective, accounting pronouncements and does not expect any of the pronouncements to have a material impact on the Company's consolidated financial statements or disclosures.

2. REVENUES

Disaggregation of Revenues

The following table disaggregates revenue by segment and major source for 2021, 2020 and 2019:

	2021			
($ thousands)	Famous Footwear	Brand Portfolio	Eliminations and Other	Total
Retail stores	**$ 1,494,595**	**$ 59,269**	**$ —**	**$ 1,553,864**
Landed wholesale - e-commerce - drop ship [1]	**—**	**93,783**	**(2,427)**	**91,356**
E-commerce - Company websites [1]	**251,823**	**189,564**	**—**	**441,387**
Total direct-to-consumer sales	**$ 1,746,418**	**$ 342,616**	**$ (2,427)**	**$ 2,086,607**
First-cost wholesale - e-commerce [1]	**—**	**3,011**	**—**	**3,011**
Landed wholesale - e-commerce [1]	**—**	**154,184**	**—**	**154,184**
Landed wholesale - other	**—**	**468,436**	**(49,263)**	**419,173**
First-cost wholesale	**—**	**100,467**	**—**	**100,467**
Licensing and royalty	**1,010**	**12,138**	**—**	**13,148**
Other [2]	**863**	**151**	**—**	**1,014**
Total net sales	**$ 1,748,291**	**$ 1,081,003**	**$ (51,690)**	**$ 2,777,604**

	2020			
($ thousands)	Famous Footwear	Brand Portfolio	Eliminations and Other	Total
Retail stores	$ 983,669	$ 52,796	$ —	$ 1,036,465
Landed wholesale - e-commerce - drop ship [1]	—	87,226	(4,192)	83,034
E-commerce - Company websites [1]	279,353	149,090	—	428,443
Total direct-to-consumer sales	$ 1,263,022	$ 289,112	$ (4,192)	$ 1,547,942
First-cost wholesale - e-commerce [1]	—	1,249	—	1,249
Landed wholesale - e-commerce [1]	—	124,548	—	124,548
Landed wholesale - other	—	408,752	(44,770)	363,982
First-cost wholesale	—	69,172	—	69,172
Licensing and royalty	—	9,478	—	9,478
Other [2]	529	170	—	699
Net sales	$ 1,263,551	$ 902,481	$ (48,962)	$ 2,117,070

	2019			
($ thousands)	Famous Footwear	Brand Portfolio	Eliminations and Other	Total
Retail stores	$ 1,427,473	$ 154,549	$ —	$ 1,582,022
Landed wholesale - e-commerce - drop ship [(1)]	—	93,249	—	93,249
E-commerce - Company websites [(1)]	159,724	145,897	—	305,621
Total direct-to-consumer sales	$ 1,587,197	$ 393,695	$ —	$ 1,980,892
First-cost wholesale - e-commerce [(1)]	—	2,204	—	2,204
Landed wholesale - e-commerce [(1)]	—	190,536	—	190,536
Landed wholesale - other	—	708,262	(72,955)	635,307
First-cost wholesale	—	96,021	—	96,021
Licensing and royalty	—	15,469	—	15,469
Other [(2)]	860	273	—	1,133
Net sales	$ 1,588,057	$ 1,406,460	$ (72,955)	$ 2,921,562

(1) Collectively referred to as "e-commerce" below

(2) Includes breakage revenue from unredeemed gift cards

Retail stores

Traditionally, the majority of the Company's revenue is generated from retail sales where control is transferred and revenue is recognized at the point of sale. Retail sales are recorded net of estimated returns and exclude sales tax. The Company records a returns reserve and a corresponding return asset for expected returns of merchandise.

Retail sales to members of the Company's loyalty programs, including the Famously You Rewards program, include two performance obligations: the sale of merchandise and the delivery of points that may be redeemed for future purchases. The transaction price is allocated to the separate performance obligations based on the relative stand-alone selling price. The stand-alone selling price for the points is estimated using the retail value of the merchandise earned, adjusted for estimated breakage based upon historical redemption patterns. The revenue associated with the initial merchandise purchased is recognized immediately and the value assigned to the points is deferred until the points are redeemed, forfeited or expired.

Landed wholesale

Landed sales are wholesale sales in which the merchandise is shipped directly to the customer from the Company's warehouses. Many customers that purchase footwear on a landed basis arrange their own transportation of merchandise and, with limited exceptions, control is transferred at the time of shipment.

First-cost wholesale

First-cost sales are wholesale sales in which the Company purchases merchandise from an international factory that manufactures the product and subsequently sells to a customer at an overseas port. Revenue is recognized at the time the merchandise is delivered to the customer's designated freight forwarder and control is transferred to the customer.

E-commerce

The Company also generates revenue from sales on websites maintained by the Company that are shipped from the Company's distribution centers or retail stores directly to the consumer, picked up directly by the consumer from the Company's stores and e-commerce sales from the Company's wholesale customers' websites that are fulfilled on a drop-ship or first cost basis (collectively referred to as "e-commerce"). The Company transfers control and recognizes revenue for merchandise sold that is shipped directly to an individual consumer upon delivery to the consumer.

Licensing and royalty

The Company has license agreements with third parties allowing them to sell the Company's branded product, or other merchandise that uses the Company's owned or licensed brand names. These license agreements provide the licensee access to the Company's symbolic intellectual property, and revenue is therefore recognized over the license term. For royalty contracts that do not have guaranteed minimums, the Company recognizes revenue as the licensee's sales occur. For royalty contracts that have guaranteed minimums, revenue for the guaranteed minimum is recognized on a straight-line basis during the term, until such time that the cumulative royalties exceed the total minimum guarantee. Up-front payments are recognized over the contractual term to which the guaranteed minimum relates.

The Company also licenses its Famous Footwear trade name and logo to a third-party financial institution to offer Famous Footwear-branded credit cards to its consumers. The Company receives royalties based upon cardholder spending, which is recognized as licensing revenue at the time when the credit card is used.

Contract Balances

Revenue is recorded at the transaction price, net of estimates for variable consideration for which reserves are established, including returns, allowances and discounts. Variable consideration is estimated using the expected value method and given the large number of contracts with similar characteristics, the portfolio approach is applied to determine the variable consideration for each revenue stream. Reserves for projected returns are based on historical patterns and current expectations.

Information about significant contract balances from contracts with customers is as follows:

($ thousands)	**January 29, 2022**	January 30, 2021
Customer allowances and discounts	$ **20,328**	$ 17,043
Loyalty programs liability	**18,814**	13,986
Returns reserve	**12,468**	11,040
Gift card liability	**6,804**	6,091

Changes in contract balances with customers generally reflect differences in relative sales volume for the period presented. In addition, during 2021, the loyalty programs liability increased $36.3 million due to points and material rights earned on purchases and decreased $31.5 million due to expirations and redemptions. During 2020, the loyalty programs liability increased $26.4 million due to points and material rights earned on purchases and decreased $28.8 million due to expirations and redemptions.

Allowance for Expected Credit Losses

The following table summarizes the activity in the Company's allowance for expected credit losses for 2021 and 2020:

($ thousands)	**2021**	2020
Balance, beginning of period	$ **14,928**	$ 1,813
Adjustment upon adoption of ASU 2016-13	—	2,521
Provision/adjustment for expected credit losses [1]	**(2,242)**	10,575
Uncollectible accounts written off, net of recoveries	**(3,085)**	19
Balance, end of period	$ **9,601**	$ 14,928

(1) The Company's provision/adjustment for expected credit losses for 2020 was higher than in 2021 as a result of the COVID-19 pandemic and its impact on the financial condition of several of the Company's wholesale customers.

3. EARNINGS (LOSS) PER SHARE

The Company uses the two-class method to compute basic and diluted earnings (loss) per common share attributable to Caleres, Inc. shareholders. In periods of net loss, no effect is given to the Company's participating securities since they do not contractually participate in the losses of the Company. The following table sets forth the computation of basic and diluted earnings (loss) per common share attributable to Caleres, Inc. shareholders:

($ thousands, except per share amounts)		**2021**		2020		2019
NUMERATOR						
Net earnings (loss)	$	**138,163**	$	(438,994)	$	62,082
Net (earnings) loss attributable to noncontrolling interests		**(1,144)**		(120)		737
Net earnings (loss) attributable to Caleres, Inc.	$	**137,019**	$	(439,114)	$	62,819
Net earnings allocated to participating securities		**(4,982)**		—		(1,988)
Net earnings (loss) attributable to Caleres, Inc. after allocation of earnings to participating securities	$	**132,037**	$	(439,114)	$	60,831
DENOMINATOR						
Denominator for basic earnings (loss) per common share attributable to Caleres, Inc. shareholders		**36,741**		37,220		39,796
Dilutive effect of share-based awards		**354**		—		57
Denominator for diluted earnings (loss) per common share attributable to Caleres, Inc. shareholders		**37,095**		37,220		39,853
Basic earnings (loss) per common share attributable to Caleres, Inc. shareholders	$	**3.59**	$	(11.80)	$	1.53
Diluted earnings (loss) per common share attributable to Caleres, Inc. shareholders	$	**3.56**	$	(11.80)	$	1.53

Options to purchase 16,667 shares of common stock in both 2021 and 2019 and 22,667 shares of common stock in 2020, were not included in the denominator for diluted earnings (loss) per common share attributable to Caleres, Inc. shareholders because the effect would be antidilutive. Due to the Company's net loss attributable to Caleres, Inc. in 2020, the denominator for diluted loss per common share attributed to Caleres, Inc. shareholders is the same as the denominator for basic loss per common share attributable to Caleres, Inc. shareholders.

The Company repurchased 661,265, 2,902,122 and 1,704,240 shares at a cost of $17.0 million, $23.3 million and $33.4 million during the years ended January 29, 2022, January 30, 2021 and February 1, 2020, respectively, under the 2011, 2018 and 2019 publicly announced share repurchase programs. The 2011 and 2018 repurchase programs permit repurchases of up to 2.5 million shares and the 2019 repurchase program permits repurchases of up to 5.0 million shares, as further discussed in Item 5, *Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities*.

4. RESTRUCTURING AND OTHER INITIATIVES

Blowfish Mandatory Purchase Obligation

On July 6, 2018, the Company acquired a controlling interest in Blowfish Malibu. The remaining interest was subject to a mandatory purchase obligation after a three-year period, which ended on July 31, 2021, based upon an earnings multiple formula as specified in the purchase agreement. Approximately $9.0 million was initially assigned to the mandatory purchase obligation and remeasurement adjustments on the mandatory purchase obligation were recorded as interest expense. The fair value adjustments on the mandatory purchase obligation totaled $15.4 million ($11.5 million on an after-tax basis, or $0.30 per diluted share) in 2021, $23.9 million ($17.8 million on an after-tax basis, or $0.48 per diluted share) in 2020 and $5.4 million ($4.0 million on an after-tax basis, or $0.10 per diluted share) in 2019. The mandatory purchase obligation was settled for $54.6 million on November 4, 2021. The settlement of the $9.0 million initially assigned to the mandatory purchase obligation is presented within financing activities on the consolidated statements of cash flows and the remaining $45.6 million is presented within operating activities, in accordance with ASC 230, *Statement of Cash Flows*. Refer to further discussion regarding the mandatory purchase obligation in Note 13 to the consolidated financial statements.

Brand Portfolio – Business Exits
During 2021, the Company incurred costs of $13.5 million ($11.9 million on an after-tax basis, or $0.31 per diluted share) related to the strategic realignment of the Naturalizer retail store operations. These costs primarily represented lease termination and other store closure costs, including employee severance, for the 73 stores that were closed during the first quarter of 2021. These charges are presented in restructuring and special charges on the consolidated statement of earnings (loss) within the Brand Portfolio segment. As of January 29, 2022 and January 30, 2021, reserves of $0.4 million and $2.1 million, respectively, were included in other accrued expenses on the consolidated balance sheets related to the strategic realignment of the Naturalizer retail store operations.

During 2020, the Company incurred costs of $16.4 million ($14.9 million on an after-tax basis, or $0.40 per diluted share) related to the decision to close all but a limited number of its Naturalizer retail stores and exit the Fergie brand. Of these charges, which are all reflected within the Brand Portfolio segment, $12.4 million is presented as restructuring and other special charges and primarily represents non-cash impairment of property and right-of-use lease assets, incremental rent and lease termination costs, and severance costs. An additional $4.0 million is presented as cost of goods sold and represents the incremental inventory markdowns required to reduce the value of inventory for these two brands to net realizable value.

During 2019, the Company incurred costs of $3.5 million ($2.6 million on an after-tax basis, or $0.06 per diluted share) related to the decision to exit the Carlos brand and reposition the Via Spiga brand. Of these charges, which are all reflected within the Brand Portfolio segment, $3.0 million relates to incremental inventory markdowns required to reduce the value of inventory to net realizable value and is presented in cost of goods sold on the consolidated statements of earnings (loss), while the remaining $0.5 million, which is presented in restructuring and other special charges, is for severance and other related costs.

COVID-19-Related Impairments and Expenses
The Company incurred costs associated with the COVID-19 pandemic and related impacts on the Company's business, totaling $114.3 million ($115.5 million on an after-tax basis, or $3.10 per diluted share) during 2020. These costs included non-cash impairment of property and equipment and lease right-of-use assets, incremental inventory markdowns, employee severance and other direct expenses specific to the impact of COVID-19 on the Company's operations. Of the $114.3 million in charges, $80.9 million is presented in restructuring and other special charges, net and $33.4 million is reflected as cost of goods sold in the consolidated statements of earnings (loss). Of the $80.9 million presented as restructuring and other special charges, $63.7 million is reflected in the Brand Portfolio segment, $16.6 million is reflected in the Famous Footwear segment and $0.6 million is reflected within the Eliminations and Other category. The $33.4 million presented as cost of goods sold represents incremental inventory markdowns, of which $27.4 million is reflected in the Brand Portfolio segment and $6.0 million is reflected in the Famous Footwear segment. There were no corresponding charges in 2021 or 2019.

Vionic Acquisition and Integration-Related Costs
On October 18, 2018, the Company acquired all of the outstanding equity interests of Vionic Group LLC and Vionic International LLC. The Company incurred acquisition and integration-related costs associated with the acquisition totaling $3.4 million ($2.6 million on an after-tax basis, $0.07 per diluted share) and $1.9 million ($1.4 million on an after-tax basis, or $0.03 per diluted share) during 2020 and 2019, respectively. Of the $3.4 million in charges in 2020, which were presented as restructuring and other special charges in the consolidated statements of earnings (loss), $3.3 million is reflected within the Brand Portfolio segment and $0.1 million is reflected within the Eliminations and Other category, and represent non-cash impairment of assets, severance and other related costs. Of the $1.9 million in charges in 2019 presented as restructuring and other special charges, which were primarily for severance and professional fees, $1.8 million is reflected within the Eliminations and Other category and $0.1 million is reflected in the Brand Portfolio segment. There were no corresponding charges during 2021.

Expense Containment Initiatives

During the fourth quarter of 2019, the Company announced expense containment initiatives, including a Voluntary Early Retirement Program ("VERP") and other restructuring actions. The total costs to implement these initiatives, including employee-related costs for severance, health care benefits and enhanced pension benefits, which were recorded in the fourth quarter of 2019, were $15.0 million ($11.2 million on an after-tax basis, or $0.27 per diluted share). Of the $15.0 million in charges recorded in the fourth quarter of 2019, $12.3 million is presented as restructuring and other special charges, net and $2.7 million is presented as other income, net in the consolidated statements of earnings (loss). Of the $12.3 million presented as restructuring and other special charges, $5.0 million is reflected in the Brand Portfolio segment, $3.8 million is reflected within the Eliminations and Other category and $3.5 million is reflected in the Famous Footwear segment. The $2.7 million presented in other income within the Eliminations and Other category is a one-time pension settlement charge and special termination benefit costs associated with the VERP, as further discussed in Note 5 to the consolidated financial statements.

5. RETIREMENT AND OTHER BENEFIT PLANS

The Company sponsors pension plans in both the United States and Canada. Under the domestic plans, salaried, management and certain hourly employees' pension benefits are based on a two-rate formula applied to each year of service. Participants receive the larger of the accrued benefit as of December 31, 2015 (based on service commencing at the date of hire and a 35-year service cap and an average annual salary for the five highest consecutive years during the last 10 year period) and the benefit calculated under the current plan provisions from the date of hire. Generally, under the current plan provisions, a participant receives credit for one year of service for each 365 days of employment as an eligible employee with the Company commencing after the employee's date of participation in the plan, up to 30 years. Except for grandfathered employees and certain hourly associates in the Company's retail divisions, final average compensation, taxable covered compensation and credit service for purposes of determining accrued pension benefits were frozen as of December 31, 2018.

The Company's Canadian pension plans cover certain employees based on plan specifications. Under the Canadian plans, employees' pension benefits are based on the employee's highest consecutive five years of compensation during the 10 years before retirement. The Company's funding policy for all plans is to make the minimum annual contributions required by applicable regulations. The Company also maintains an unfunded Supplemental Executive Retirement Plan ("SERP"). In addition to providing pension benefits, the Company sponsors unfunded postretirement life insurance plans that cover both salaried and hourly employees who became eligible for benefits by January 1, 1995. The life insurance plans provide coverage of up to $20,000 for qualifying retired employees.

Benefit Obligations
The following table sets forth changes in benefit obligations, including all domestic and Canadian plans:

	Pension Benefits		Other Postretirement Benefits	
($ thousands)	**2021**	2020	**2021**	2020
Benefit obligation at beginning of year	**$ 365,570**	$ 388,288	**$ 1,249**	$ 1,371
Service cost	**7,494**	8,492	**—**	—
Interest cost	**11,236**	12,205	**35**	41
Plan participants' contribution	**11**	7	**5**	4
Actuarial (gain) loss	**(13,962)**	8,710	**(50)**	(55)
Benefits paid	**(15,062)**	(15,272)	**(96)**	(112)
Settlements	**—**	(36,747)	**—**	—
Curtailments	**—**	(95)	**—**	—
Foreign exchange rate changes	**(1)**	(18)	**—**	—
Benefit obligation at end of year	**$ 355,286**	$ 365,570	**$ 1,143**	$ 1,249

The accumulated benefit obligation for the United States pension plans was $348.8 million and $358.7 million as of January 29, 2022 and January 30, 2021, respectively. The accumulated benefit obligation for the Canadian pension plans was $3.9 million and $4.0 million as of January 29, 2022 and January 30, 2021, respectively.

	Pension Benefits		Other Postretirement Benefits	
Weighted–average assumptions used to determine benefit obligations, end of year	**2021**	2020	**2021**	2020
Discount rate	**3.40 %**	3.10 %	**3.40 %**	3.10 %
Rate of compensation increase	**3.00 %**	3.00 %	**N/A**	N/A

As of January 29, 2022, the Company is using the PRI-2012 Bottom Quartile mortality table, projected using generational scale MP-2021, an updated base mortality table issued by the Society of Actuaries in 2021, to estimate the plan liabilities. Actuarial losses related to the change in mortality projection scales from the MP-2020 scale used in 2020 and the MP-2019 scale used in 2019, increased the projected benefit obligation by approximately $1.1 million and $2.0 million as of January 29, 2022 and January 30, 2021, respectively.

In the fourth quarter of 2020, a lump sum option was offered to certain former employees, resulting in $35.7 million of lump sum payments and a settlement charge that decreased the net periodic benefit income for 2020 by $1.1 million. During the fourth quarter of 2019, in conjunction with the Company's expense containment initiatives, a Voluntary Early Retirement Program ("VERP") was offered to pension participants who met certain criteria. A lump sum option was also offered to certain former employees during the fourth quarter of 2019. The VERP and terminated vested lump sums resulted in $19.9 million of lump sum payments, and a settlement charge and curtailment that decreased the net periodic benefit income for 2019 by $2.7 million.

Plan Assets
Pension assets are managed in accordance with the prudent investor standards of the Employee Retirement Income Security Act ("ERISA"). The plan's investment objective is to earn a competitive total return on assets, while also ensuring plan assets are adequately managed to provide for future pension obligations. This results in the protection of plan surplus and is accomplished by matching the duration of the projected benefit obligation using leveraged fixed income instruments and, while maintaining an equity commitment, managing an equity overlay strategy. The overlay strategy is intended to protect the managed equity portfolios against adverse stock market environments. The Company delegates investment management of the plan assets to specialists in each asset class and regularly monitors manager performance and compliance with investment guidelines. The Company's overall investment strategy is to achieve a mix of approximately 97% of investments for long-term growth and 3% for near-term benefit payments with a wide diversification of asset types, fund strategies and fund managers. The target allocations for plan assets for 2021 were 70% equities and 30% debt securities. Allocations may change periodically based upon changing market conditions. Corporate stocks – common did not include any Company stock at January 29, 2022 or January 30, 2021.

Assets of the Canadian pension plans, which total approximately $5.0 million at January 29, 2022, were invested 55% in equity funds, 42% in bond funds and 3% in money market funds. The Canadian pension plans did not include any Company stock as of January 29, 2022 or January 30, 2021.

A financial instrument's level within the valuation hierarchy is based upon the lowest level of input that is significant to the fair value measurement. Refer to further discussion on the fair value hierarchy in Note 13 to the consolidated financial statements. Following is a description of the pension plan investments measured at fair value, including the general classification of such investments pursuant to the valuation hierarchy.

- Cash and cash equivalents include cash collateral and margin as well as money market funds. The fair values are based on unadjusted quoted market prices in active markets with sufficient volume and frequency and therefore are classified within Level 1 of the fair value hierarchy.

- Investments in U.S. government securities, the mutual fund, exchange-traded funds, corporate stocks - common, preferred securities and S&P 500 Index put and call options (traded on security exchanges) are classified within Level 1 of the fair value hierarchy because the fair values are based on unadjusted quoted market prices in active markets with sufficient volume and frequency. Interest rate swap agreements and certain U.S. government securities are not traded on an exchange but are based on observable inputs that can be corroborated. Therefore, these investments are classified within Level 2 of the fair value hierarchy. Certain preferred securities and corporate stocks – common were offered in a private placement. The fair value of these investments is based on unobservable prices and therefore, they are classified within Level 3 of the fair value hierarchy.

- The alternative investment fund is an investment in a pool of long-duration domestic investment grade assets. This investment is measured using net asset value per share, and therefore, is not classified within the fair value hierarchy.

- The unallocated insurance contract is measured at net asset value per share, and therefore, is not classified within the fair value hierarchy.

The fair values of the Company's pension plan assets at January 29, 2022 by asset category are as follows:

	Fair Value Measurements at January 29, 2022			
($ thousands)	Total	Level 1	Level 2	Level 3
Asset				
Cash and cash equivalents	$ **11,714**	$ **11,714**	$ —	$ —
U.S. government securities	**102,525**	**46,668**	**55,857**	—
Interest rate swap agreements	**(232)**	—	**(232)**	—
Mutual fund	**31,595**	**31,595**	—	—
Exchange-traded funds	**120,323**	**120,323**	—	—
Corporate stocks - common	**155,014**	**155,014**	—	—
Preferred securities	**523**	—	—	**523**
S&P 500 Index options	**5,694**	**5,694**	—	—
Total investments in the fair value hierarchy	$ **427,156**	$ **371,008**	$ **55,625**	$ **523**
Investments measured at net asset value:				
Alternative investment fund	**16,891**	—	—	—
Unallocated insurance contract	**44**	—	—	—
Total investments measured at net asset value	**16,935**	—	—	—
Total investments at fair value	$ **444,091**	$ **371,008**	$ **55,625**	$ **523**

The fair values of the Company’s pension plan assets at January 30, 2021 by asset category are as follows:

	Fair Value Measurements at January 30, 2021			
($ thousands)	Total	Level 1	Level 2	Level 3
Asset				
Cash and cash equivalents	$ 9,149	$ 9,149	$ —	$ —
U.S. government securities	108,733	50,116	58,617	—
Interest rate swap agreements	(4,597)	—	(4,597)	
Mutual fund	38,064	38,064	—	—
Exchange-traded funds	119,647	119,647	—	—
Corporate stocks - common	160,137	160,112	—	25
Preferred securities	2,495	—	—	2,495
S&P 500 Index options	(6,482)	(6,482)	—	—
Total investments in the fair value hierarchy	$ 427,146	$ 370,606	$ 54,020	$ 2,520
Investments measured at net asset value:				
Alternative investment fund	17,522	—	—	—
Unallocated insurance contract	49	—	—	—
Total investments measured at net asset value	17,571	—	—	—
Total investments at fair value	$ 444,717	$ 370,606	$ 54,020	$ 2,520

The following table sets forth changes in the fair value of plan assets, including all domestic and Canadian plans:

	Pension Benefits		Other Postretirement Benefits	
($ thousands)	**2021**	2020	**2021**	2020
Fair value of plan assets at beginning of year	$ **444,717**	$ 428,186	$ **—**	$ —
Actual return on plan assets	**14,322**	67,413	**—**	—
Employer contributions	**104**	1,148	**91**	108
Plan participants’ contributions	**11**	7	**5**	4
Benefits paid	**(15,062)**	(15,272)	**(96)**	(112)
Settlements	**—**	(36,747)	**—**	—
Foreign exchange rate changes	**(1)**	(18)	**—**	—
Fair value of plan assets at end of year	$ **444,091**	$ 444,717	$ **—**	$ —

Funded Status

The over-funded status as of January 29, 2022 and January 30, 2021 for pension benefits was $88.8 million and $79.1 million, respectively. The under-funded status for other postretirement benefits was $1.1 million and $1.2 million as of January 29, 2022 and January 30, 2021, respectively.

Amounts recognized in the consolidated balance sheets consist of:

	Pension Benefits		Other Postretirement Benefits	
($ thousands)	**2021**	2020	**2021**	2020
Prepaid pension costs (noncurrent assets)	$ **99,139**	$ 88,833	$ **—**	$ —
Accrued benefit liabilities (current liability)	**(3,755)**	(1,896)	**(189)**	(194)
Accrued benefit liabilities (noncurrent liability)	**(6,579)**	(7,790)	**(954)**	(1,055)
Net amount recognized at end of year	$ **88,805**	$ 79,147	$ **(1,143)**	$ (1,249)

The projected benefit obligation, the accumulated benefit obligation and the fair value of plan assets for pension plans with a projected benefit obligation in excess of plan assets and for pension plans with an accumulated benefit obligation in excess of plan assets, which includes only the Company's SERP, were as follows:

	Projected Benefit Obligation Exceeds the Fair Value of Plan Assets		Accumulated Benefit Obligation Exceeds the Fair Value of Plan Assets	
($ thousands)	**2021**	2020	**2021**	2020
End of Year				
Projected benefit obligation	$ **10,334**	$ 9,686	$ **10,334**	$ 9,686
Accumulated benefit obligation	**9,247**	8,954	**9,247**	8,954
Fair value of plan assets	**—**	—	**—**	—

The accumulated postretirement benefit obligation exceeds assets for all of the Company's other postretirement benefit plans.

The amounts in accumulated other comprehensive loss that have not yet been recognized as components of net periodic benefit income at January 29, 2022 and January 30, 2021 are as follows:

	Pension Benefits		Other Postretirement Benefits	
($ thousands)	**2021**	2020	**2021**	2020
Components of accumulated other comprehensive loss, net of tax:				
Net actuarial loss (gain)	$ **8,807**	$ 10,438	$ **(424)**	$ (466)
Net prior service credit	**(565)**	(947)	**—**	—
Accumulated other comprehensive loss, net of tax	**$ 8,242**	$ 9,491	$ (424)	$ (466)

Net Periodic Benefit Income

Net periodic benefit income for 2021, 2020 and 2019 for all domestic and Canadian plans included the following components:

	Pension Benefits			Other Postretirement Benefits		
($ thousands)	**2021**	2020	2019	**2021**	2020	2019
Service cost	$ **7,494**	$ 8,492	$ 7,219	$ **—**	$ —	$ —
Interest cost	**11,236**	12,205	14,811	**35**	41	60
Expected return on assets	**(28,437)**	(31,498)	(27,735)	**—**	—	—
Amortization of:						
Actuarial loss (gain)	**2,410**	2,718	3,904	**(108)**	(110)	(107)
Prior service credit	**(514)**	(1,354)	(1,486)	**—**	—	—
Settlement cost	**—**	1,353	2,236	**—**	—	—
Curtailments	**—**	(189)	—	**—**	—	—
Cost of contractual termination benefits	**—**	—	482	**—**	—	—
Total net periodic benefit income	$ **(7,811)**	$ (8,273)	$ (569)	$ **(73)**	$ (69)	$ (47)

The non-service cost components of net periodic benefit income are included in other income, net in the consolidated statements of earnings (loss). Service cost is included in selling and administrative expenses.

	Pension Benefits			Other Postretirement Benefits		
Weighted–average assumptions used to determine net periodic benefit income	**2021**	2020	2019	**2021**	2020	2019
Discount rate	**3.10 %**	3.25 %	4.35 %	**3.10 %**	3.25 %	4.35 %
Rate of compensation increase	**3.00 %**	3.00 %	3.00 %	**N/A**	N/A	N/A
Expected return on plan assets	**7.25 %**	7.50 %	7.75 %	**N/A**	N/A	N/A

The net actuarial loss (gain) subject to amortization is amortized on a straight-line basis over the average future service of active plan participants as of the measurement date. The prior service credit is amortized on a straight-line basis over the average future service of active plan participants benefiting under the plan at the time of each plan amendment.

The expected long-term rate of return on plan assets is based on historical and projected rates of return for current and planned asset classes in the plan's investment portfolio. Assumed projected rates of return for each asset class were selected after analyzing experience and future expectations of the returns. The overall expected rate of return for the portfolio was developed based on the target allocation for each asset class.

Expected Cash Flows
Information about expected cash flows for all pension and postretirement benefit plans follows:

	Pension Benefits			
($ thousands)	Funded Plan	SERP	Total	Other Postretirement Benefits
Employer Contributions				
2022 expected contributions to plan trusts	$ 82	$ —	$ 82	$ —
2022 expected contributions to plan participants	420	3,818	4,238	192
2022 refund of assets (e.g. surplus) to employer	139	—	139	—
Expected Benefit Payments			—	
2022	$ 17,852	$ 3,818	$ 21,670	$ 192
2023	15,148	3,376	18,524	159
2024	15,618	1,021	16,639	132
2025	16,241	1,315	17,556	109
2026	16,782	479	17,261	89
2027-2031	89,409	1,600	91,009	248

Defined Contribution Plans
The Company's domestic defined contribution 401(k) plan covers certain salaried employees. For eligible salaried employees, the Company makes a core contribution of 1.5% and a matching contribution of up to 50% of the first 6% of the employees' contributions. The Company's expense for this plan was $5.5 million in 2021, $4.0 million in 2020, and $5.4 million in 2019. In addition to the core and matching contributions, the Company has the discretion to contribute up to an additional 2% profit-sharing benefit based on the Company's performance. The Company's expense for the profit-sharing contribution was $3.3 million for 2021, with no corresponding expenses in 2020 or 2019.

The Company's Canadian defined contribution plan covers certain salaried and hourly employees. The Company makes contributions for all eligible employees, ranging from 3% to 5% of the employee's salary. In addition, eligible employees may voluntarily contribute to the plan. The Company's expense for this plan was $0.1 million in both 2021 and 2020, and $0.2 million in 2019.

Deferred Compensation Plan
The Company has a non-qualified deferred compensation plan (the "Deferred Compensation Plan") for the benefit of certain management employees. The investment funds offered to the participants generally correspond to the funds offered in the Company's 401(k) plan and the account balance fluctuates with the investment returns on those funds. The Deferred Compensation Plan permits the deferral of up to 50% of base salary and 100% of compensation received under the Company's annual incentive plan. The deferrals are held in a separate trust, which has been established by the Company to administer the Deferred Compensation Plan. The assets of the trust are subject to the claims of the Company's creditors in the event that the Company becomes insolvent. Consequently, the trust qualifies as a grantor trust for income tax purposes (i.e., a "Rabbi Trust"). The liabilities of the Deferred Compensation Plan of $7.5 million and $7.9 million as of January 29, 2022 and January 30, 2021, respectively, are presented in employee compensation and benefits in the accompanying consolidated balance sheets. The assets held by the trust of $7.5 million and $7.9 million as of January 29, 2022 and January 30, 2021, respectively, are presented within prepaid expenses and other current assets in the

accompanying consolidated balance sheets, with changes in the deferred compensation charged to selling and administrative expenses in the accompanying consolidated statements of earnings (loss).

Deferred Compensation Plan for Non-Employee Directors
Non-employee directors are eligible to participate in a deferred compensation plan, whereby deferred compensation amounts are valued as if invested in the Company's common stock through the use of phantom stock units ("PSUs"). Under the plan, each participating director's account is credited with the number of PSUs equal to the number of shares of the Company's common stock that the participant could purchase or receive with the amount of the deferred compensation, based upon the fair value (as determined based on the average of the high and low prices) of the Company's common stock on the last trading day of the fiscal quarter when the cash compensation was earned. Dividend equivalents are paid on PSUs at the same rate as dividends on the Company's common stock and are re-invested in additional PSUs at the next fiscal quarter-end. The PSUs are payable in cash based on the number of PSUs credited to the participating director's account, valued on the basis of the fair value at fiscal quarter-end on or following termination of the director's service. The liabilities of the plan of $1.8 million as of January 29, 2022 and $1.0 million as of January 30, 2021 are based on 64,227 and 23,644 outstanding PSUs, respectively, and are presented in other liabilities in the accompanying consolidated balance sheets. Gains and losses resulting from changes in the fair value of the PSUs are charged to selling and administrative expenses in the accompanying consolidated statements of earnings (loss).

6. INCOME TAXES

The components of earnings (loss) before income taxes consisted of domestic earnings before income taxes of $152.5 million and $37.3 million in 2021 and 2019, respectively, and domestic loss before income taxes of $441.5 million in 2020. The Company's international earnings before incomes taxes were $36.7 and $41.3 million in 2021 and 2019, respectively, and international losses before income taxes were $75.6 million in 2020.

The components of income tax provision (benefit) on earnings (loss) were as follows:

($ thousands)	**2021**	2020	2019
Federal			
Current	$ **36,388**	$ (37,140)	$ 4,003
Deferred	**(227)**	(45,145)	5,390
Total federal income tax provision (benefit)	**36,161**	(82,285)	9,393
State			
Current	**4,012**	1,532	290
Deferred	**6,531**	(9,038)	2,403
Total state income tax provision (benefit)	**10,543**	(7,506)	2,693
International			
Current	**4,615**	2,288	3,914
Deferred	**(238)**	9,386	511
Total international income tax provision	**4,377**	11,674	4,425
Total income tax provision (benefit)	$ **51,081**	$ (78,117)	$ 16,511

The differences between the income tax provision (benefit) reflected in the consolidated financial statements and the amounts calculated at the federal statutory income tax rate were as follows:

($ thousands)	**2021**	2020	2019
Income taxes at statutory rate	$ **39,741**	$ (108,593)	$ 16,505
State income taxes, net of federal tax benefit	**8,361**	(17,433)	2,218
International earnings taxed at differing rates from U.S. statutory	**(3,588)**	(5,210)	(4,071)
Share-based compensation	**94**	1,094	86
Non-deductibility of goodwill impairment	**—**	20,179	—
Impairment of international trade name taxed at higher rate	**—**	(1,440)	—
Provision for valuation allowance, net of utilization	**8,978**	41,019	872
CARES Act NOL, net carryback benefit (1)	**365**	(8,203)	—
Non-deductibility of 162(m) limitations	**3,377**	1,005	1,113
GILTI, BEAT and FDII provisions	**346**	—	668
International entity restructuring (2)	**(6,697)**	—	—
Other (3)	**104**	(535)	(880)
Total income tax provision (benefit)	$ **51,081**	$ (78,117)	$ 16,511

(1) The Coronavirus Aid, Relief, and Economic Security Act ("CARES Act") was signed into law during 2020. Among the Internal Revenue Code provisions modified by the CARES Act was a five-year carryback period for net operating losses incurred in the 2018, 2019 and 2020 tax years; temporary removal of the 80% limitation on net operating loss usage, reinstated for tax years after 2020; a temporary increase in the interest expense limitation and acceleration of refundable AMT credit. The five-year carryback presented an opportunity to carry back net operating losses from years with a statutory 21% federal tax rate to years when the rate was 35%.

(2) Reflects the deferred tax impacts of the liquidation of certain international subsidiaries, with related impacts presented in the provision for valuation allowance, net of utilization line in the table above.

(3) The other category of income tax provision (benefit) principally represents the impact of expenses that are not deductible or partially deductible for federal income tax purposes and the impact of any return-to-provision adjustments.

Significant components of the Company's deferred income tax assets and liabilities were as follows:

($ thousands)		**January 29, 2022**		January 30, 2021
Deferred Tax Assets				
Lease obligations	$	**149,123**	$	176,953
Goodwill		**43,510**		56,191
Net operating loss carryforward/carryback		**14,441**		20,736
Accrued expenses		**25,314**		18,610
Employee benefits, compensation and insurance		**15,751**		11,006
Accounts receivable		**5,735**		6,149
Inventory capitalization and inventory reserves		**6,013**		4,130
Impairment of investment in nonconsolidated affiliate		**1,470**		1,470
Postretirement and postemployment benefit plans		**259**		285
Other		**1,261**		1,259
Total deferred tax assets, before valuation allowance		**262,877**		296,789
Valuation allowance		**(58,959)**		(49,981)
Total deferred tax assets, net of valuation allowance	$	**203,918**	$	246,808
Deferred Tax Liabilities				
Lease right-of-use assets	$	**(134,888)**	$	(151,962)
Intangible assets		**(10,624)**		(30,532)
LIFO inventory valuation		**(37,675)**		(38,437)
Retirement plans		**(23,718)**		(21,041)
Capitalized software		**(5,042)**		(5,331)
Depreciation		**(3,818)**		(4,779)
Other		**(2,884)**		(2,970)
Total deferred tax liabilities		**(218,649)**		(255,052)
Net deferred tax liability	$	**(14,731)**	$	(8,244)

As of January 29, 2022, the Company had various federal, state and international net operating loss ("NOL") carryforwards with tax values totaling $14.4 million. The state NOLs totaling $4.8 million have carryforward periods ranging from one to 20 years. The Company has NOLs in Canada and the United Kingdom of $7.7 million and $1.9 million, respectively. The Canada NOLs have carryforward periods ranging from 15 to 20 years, while the United Kingdom NOLs have no expiration. As of January 29, 2022, the Company is in a three-year cumulative loss position for federal, state and certain international tax jurisdictions. Accordingly, as of January 29, 2022, the Company increased its valuation allowances on deferred tax assets to $59.0 million, reflecting the uncertainty regarding the utilization of its deferred tax assets.

As of January 29, 2022, no deferred taxes have been provided on the accumulated unremitted earnings of the Company's international subsidiaries that are not subject to United States income tax, beyond the amounts recorded for the one-time transition tax for the mandatory deemed repatriation of cumulative international earnings, as required by the Tax Cuts and Jobs Act. The Company periodically evaluates its international investment opportunities and plans, as well as its international working capital needs, to determine the level of investment required and, accordingly, determines the level of international earnings that is considered indefinitely reinvested. Based upon that evaluation, earnings of the Company's international subsidiaries that are not otherwise subject to United States taxation are considered to be indefinitely reinvested, and accordingly, deferred taxes have not been provided. If changes occur in future investment opportunities and plans, those changes will be reflected when known and may result in providing residual United States deferred taxes on unremitted international earnings. If the Company's unremitted international earnings were not considered indefinitely reinvested as of January 29, 2022, an immaterial amount of additional deferred taxes would have been provided.

Uncertain Tax Positions

ASC 740, *Income Taxes*, establishes a single model to address accounting for uncertain tax positions. The standard clarifies the accounting for income taxes by prescribing a minimum recognition threshold a tax position is required to meet before being recognized in the financial statements. The standard also provides guidance on derecognition, measurement classification, interest and penalties, accounting in interim periods, disclosure and transition. As of January 29, 2022, January 30, 2021 and February 1, 2020, the Company had unrecognized tax benefits of $1.0 million, $1.5 million and $1.9 million, respectively, associated with international jurisdictions.

For federal purposes, the Company's tax filings for fiscal years 2018 to 2020 remain open to examination but are not currently being examined. The Company also files tax returns in various international jurisdictions and numerous states for which various tax years are subject to examination and currently involved in audits. While the Company is involved in examinations in certain jurisdictions, it does not expect any significant changes in its liability for uncertain tax positions during the next 12 months.

7. BUSINESS SEGMENT INFORMATION

The Company's reportable segments are Famous Footwear and Brand Portfolio. The Famous Footwear segment is comprised of Famous Footwear, famousfootwear.com and famousfootwear.ca. Famous Footwear operated 894 stores at the end of 2021, selling primarily branded footwear for the entire family.

The Brand Portfolio segment is comprised of wholesale operations selling the Company's branded footwear, and the retail stores and e-commerce sites associated with those brands. This segment sources, manufactures and markets licensed, branded and private-label footwear primarily to online retailers, national chains, department stores, mass merchandisers and independent retailers as well as Company-owned Famous Footwear, Sam Edelman, Naturalizer and Allen Edmonds stores and e-commerce businesses. The Brand Portfolio segment included 70 branded retail stores in the United States and 16 branded retail stores in China at the end of 2021.

The Company's Famous Footwear and Brand Portfolio reportable segments are operating units that are managed separately. These reportable segments reflect the level at which the Company's chief operating decision maker evaluates financial performance and allocates resources. Operating earnings (loss) for the reportable segments represents gross profit, less selling and administrative expenses, impairment of goodwill and intangible assets and restructuring and other special charges, net. The accounting policies of the reportable segments are the same as those described in Note 1 to the consolidated financial statements. Intersegment sales are generally recorded at a profit, and intersegment earnings related to inventory on hand at the purchasing segment are eliminated against the earnings.

Corporate assets, administrative expenses and other costs and recoveries that are not allocated to the operating units, as well as the elimination of intersegment sales and profit, are reported in the Eliminations and Other category.

Following is a summary of certain key financial measures for the respective periods:

($ thousands)	Famous Footwear	Brand Portfolio	Eliminations and Other	Total
Fiscal 2021				
Net sales	**$ 1,748,291**	**$ 1,081,003**	**$ (51,690)**	**$ 2,777,604**
Intersegment sales	**—**	**51,690**	**—**	**51,690**
Depreciation and amortization	**20,333**	**23,762**	**8,235**	**52,330**
Operating earnings (loss)	**276,415**	**35,928**	**(106,536)**	**205,807**
Segment assets	**705,063**	**944,241**	**194,622**	**1,843,926**
Purchases of property and equipment	**12,480**	**3,977**	**1,936**	**18,393**
Capitalized software	**121**	**8**	**5,623**	**5,752**
Fiscal 2020				
Net sales	$ 1,263,551	$ 902,481	$ (48,962)	$ 2,117,070
Intersegment sales	—	48,962	—	48,962
Depreciation and amortization	23,090	28,889	8,560	60,539
Operating loss	(23,821)	(408,444)	(53,393)	(485,658)
Segment assets	765,754	851,027	250,269	1,867,050
Purchases of property and equipment	7,693	6,486	2,607	16,786
Capitalized software	870	153	4,251	5,274
Fiscal 2019				
Net sales	$ 1,588,057	$ 1,406,460	$ (72,955)	$ 2,921,562
Intersegment sales	—	72,955	—	72,955
Depreciation and amortization	26,706	29,875	8,981	65,562
Operating earnings (loss)	76,896	58,153	(31,236)	103,813
Segment assets	891,042	1,383,500	157,165	2,431,707
Purchases of property and equipment	16,129	21,973	6,431	44,533
Capitalized software	16	1,544	4,059	5,619

Products purchased for the Famous Footwear segment from three key third-party suppliers (Nike, Skechers and adidas) represented approximately 26%, 25% and 22% of consolidated net sales for 2021, 2020 and 2019, respectively.

Following is a reconciliation of operating earnings (loss) to earnings (loss) before income taxes:

($ thousands)	**2021**	2020	2019
Operating earnings (loss)	**$ 205,807**	$ (485,658)	$ 103,813
Interest expense, net	**(30,930)**	(48,287)	(33,123)
Loss on early extinguishment of debt	**(1,011)**	—	—
Other income, net	**15,378**	16,834	7,903
Earnings (loss) before income taxes	**$ 189,244**	$ (517,111)	$ 78,593

For geographic purposes, the domestic operations include the Company's domestic retail operations, the wholesale distribution of licensed, branded and private-label footwear to a variety of retail customers, including the Famous Footwear and Brand Portfolio stores, as well as the Company's e-commerce businesses.

The Company's international operations consist of wholesale and retail operations primarily in Eastern Asia, Canada and Europe. The Eastern Asia operations primarily include first-cost transactions, where footwear is sold at international ports to customers who then import the footwear into the United States and other countries.

A summary of the Company’s net sales and long-lived assets, including lease right-of-use assets and property and equipment, by geographic area were as follows:

($ thousands)	**2021**	2020	2019
Net Sales			
United States	$ **2,600,848**	$ 1,984,713	$ 2,734,912
Eastern Asia	**119,857**	77,793	98,045
Canada	**43,789**	46,781	80,247
Other	**13,110**	7,783	8,358
Total net sales	$ **2,777,604**	$ 2,117,070	$ 2,921,562
Long-Lived Assets (1)			
United States	$ **630,519**	$ 703,642	$ 881,338
Canada	**14,687**	20,246	35,317
Eastern Asia	**8,357**	2,660	3,527
Other	**105**	192	258
Total long-lived assets	$ **653,668**	$ 726,740	$ 920,440

(1) Long-lived assets include $503,430, $554,303 and $695,594 of lease right-of-use assets in 2021, 2020 and 2019, respectively.

8. INVENTORIES

The Company’s net inventory balance was comprised of the following:

($ thousands)	**January 29, 2022**	January 30, 2021
Raw materials	$ **16,764**	$ 14,592
Work-in-process	**614**	349
Finished goods	**579,429**	473,014
Inventories, net	$ **596,807**	$ 487,955

As of January 29, 2022 and January 30, 2021, the Company’s inventory balance included $0.1 million and $0.8 million, respectively, of finished goods product subject to consignment arrangements with wholesale customers.

9. PROPERTY AND EQUIPMENT

Property and equipment consisted of the following:

($thousands)	**January 29, 2022**	January 30, 2021
Land and buildings	**$ 48,355**	$ 53,561
Leasehold improvements	**197,218**	208,939
Technology equipment	**49,550**	49,105
Machinery and equipment	**98,308**	98,862
Furniture and fixtures	**127,125**	126,405
Construction in progress	**3,066**	6,773
Property and equipment	**523,622**	543,645
Allowances for depreciation	**(373,384)**	(371,208)
Property and equipment, net	**$ 150,238**	$ 172,437

Useful lives of property and equipment are as follows:

	Years
Buildings	5 - 30
Leasehold improvements	5 - 20
Technology equipment	2 - 10
Machinery and equipment	4 - 20
Furniture and fixtures	3 - 10

The Company recorded charges for impairment of $4.1 million, $56.3 million and $5.9 million in 2021, 2020 and 2019, respectively, primarily for operating lease right-of-use assets, leasehold improvements and furniture and fixtures in the Company's retail stores. All of the charges in 2021 and 2019 are presented in selling and administrative expenses. Of the $56.3 million of impairment charges in 2020, $55.3 million is reflected in restructuring and other special charges, and $1.0 million is reflected in selling and administrative expenses. Fair value was based on estimated future cash flows to be generated by retail stores, discounted at a market rate of interest. Refer to Note 4, Note 12 and Note 13 to the consolidated financial statements for further discussion of these impairment charges.

Interest costs for major asset additions are capitalized during the construction or development period and amortized over the lives of the related assets. The Company capitalized interest of $0.6 million in 2019 related to the new company-operated Brand Portfolio warehouse facilities in California, with no corresponding interest capitalized in 2021 or 2020.

Property and Equipment, Held for Sale
In April 2021, the Company announced that it would begin marketing for sale its nine-acre corporate headquarters campus (the "Campus") located in Clayton, Missouri and the Company is currently in negotiations to sell the campus. The Company expects a portion of the campus to qualify as a completed sale within twelve months. Accordingly, as of January 29, 2022, that portion of the Campus, which is included in the Eliminations and Other category, is classified within property and equipment, held for sale on the consolidated balance sheet. The remaining portion of the Campus that is not anticipated to qualify as a completed sale within twelve months is classified as property and equipment, net on the consolidated balance sheet as of January 29, 2022. The Company evaluated the Campus asset group for impairment indicators and determined that no indicators were present.

10. GOODWILL AND INTANGIBLE ASSETS

Goodwill and intangible assets were as follows:

($ thousands)	**January 29, 2022**	January 30, 2021
Intangible Assets		
Famous Footwear	$ **2,800**	$ 2,800
Brand Portfolio	**342,083**	342,083
Total intangible assets	**344,883**	344,883
Accumulated amortization	**(122,336)**	(109,768)
Total intangible assets, net	**222,547**	235,115
Goodwill		
Brand Portfolio (1)	**4,956**	4,956
Total goodwill	**4,956**	4,956
Goodwill and intangible assets, net	$ **227,503**	$ 240,071

(1) The carrying amount of goodwill as of January 29, 2022 and January 30, 2021 is presented net of accumulated impairment charges of $415.7 million.

The Company's intangible assets as of January 29, 2022 and January 30, 2021 were as follows:

($ thousands)	January 29, 2022				
	Estimated Useful Lives (In Years)	**Cost Basis**	**Accumulated Amortization**	**Accumulated Impairment**	**Net Carrying Value**
Trade names	**2 - 40**	**$ 299,488**	**$ 112,061**	**$ 10,200**	**$ 177,227**
Trade names	**Indefinite**	**107,400**	**—**	**92,000**	**15,400**
Customer relationships	**15 - 16**	**44,200**	**10,275**	**4,005**	**29,920**
		$ 451,088	**$ 122,336**	**$ 106,205**	**$ 222,547**

	January 30, 2021				
	Estimated Useful Lives (In Years)	Cost Basis	Accumulated Amortization	Accumulated Impairment	Net Carrying Value
Trade names	2 - 40	$ 299,488	$ 101,919	$ 10,200	$ 187,369
Trade names	Indefinite	107,400	—	92,000	15,400
Customer relationships	15 - 16	44,200	7,849	4,005	32,346
		$ 451,088	$ 109,768	$ 106,205	$ 235,115

Amortization expense related to intangible assets was $12.6 million in 2021, $13.0 million in 2020 and $13.1 million in 2019. The Company estimates $12.1 million of amortization expense related to intangible assets in 2022, $11.9 million in 2023 and $11.0 million in 2024, 2025 and 2026.

Goodwill is tested for impairment at least annually, or more frequently if events or circumstances indicate it might be impaired, using either the qualitative assessment or a quantitative fair value-based test. During 2021 and 2019, the goodwill impairment testing was performed as of the first day of the fourth fiscal quarter, which resulted in no impairment charges. During the first quarter of 2020, as a result of the significant decline in the Company's share price and market capitalization and the impact of the pandemic on the Company's business operations, the Company determined that an interim assessment of goodwill was required. A quantitative assessment was performed for all reporting units as of May 2, 2020. The assessment indicated that the carrying value of the goodwill associated with the Brand Portfolio and Vionic reporting units was impaired, resulting in total goodwill impairment charges of $240.3 million, which are reflected within the Brand Portfolio segment. In addition to the interim assessment, the Company performed an impairment review of the remaining goodwill balance, which is associated with the Blowfish Malibu reporting unit, as of the first day of the fourth fiscal quarter. That review indicated no impairment.

Indefinite-lived intangible assets are tested for impairment as of the first day of the fourth quarter of each fiscal year unless events or circumstances indicate an interim test is required. The Company did not record any impairment charges for intangible assets during 2021 or 2019. As a result of the triggering event from the economic impacts of the pandemic, an interim assessment was performed as of May 2, 2020. The interim indefinite-lived trade name impairment review resulted in total impairment charges of $22.4 million, including $12.2 million associated with the indefinite-lived Allen Edmonds trade name and $10.2 million of impairment associated with the indefinite-lived Via Spiga trade name. In addition to the interim assessment, the Company tested the indefinite-lived intangible assets as of the first day of the fourth fiscal quarter. As a result of the impairment indicator for Allen Edmonds, the Company also tested the definite-lived Allen Edmonds customer relationships intangible asset. Those reviews resulted in additional impairment totaling $23.8 million, consisting of $19.8 million associated with the Allen Edmonds trade name and $4.0 million associated with the Allen Edmonds customer relationships intangible asset. Total intangible asset impairment charges of $46.2 million in 2020 are reflected within the Brand Portfolio segment.

11. LONG-TERM AND SHORT-TERM FINANCING ARRANGEMENTS

Credit Agreement

The Company maintains a revolving credit facility for working capital needs. The Company is the lead borrower, and Sidney Rich Associates, Inc., BG Retail, LLC, Allen Edmonds LLC, Vionic Group LLC and Vionic International LLC are each co-borrowers and guarantors. On October 5, 2021, the Company entered into a Fifth Amendment to Fourth Amended and Restated Credit Agreement (as so amended, the "Credit Agreement") which, among other modifications, extended the maturity date of the credit facility from January 18, 2024 to October 5, 2026, and decreased the amount available under the revolving credit facility by $100.0 million to an aggregate amount of up to $500.0 million, subject to borrowing base restrictions, which may be further increased by up to $250.0 million. The Credit Agreement also decreased the spread applied to the London Interbank Offered Rate (“LIBOR”) or prime rate by a total of 75 basis points.

Borrowing availability under the Credit Agreement is limited to the lesser of the total commitments and the borrowing base ("Loan Cap"), which is based on stated percentages of the sum of eligible accounts receivable, eligible inventory and eligible credit card receivables, as defined, less applicable reserves. Under the Credit Agreement, the Loan Parties’ obligations are secured by a first-priority security interest in all accounts receivable, inventory and certain other collateral.

Interest on borrowings is at variable rates based on LIBOR (with a floor of 0.0%) or the prime rate (as defined in the Credit Agreement), plus a spread. The interest rate and fees for letters of credit vary based upon the level of excess availability under the Credit Agreement. There is an unused line fee payable on the unused portion under the facility and a letter of credit fee payable on the outstanding face amount under letters of credit.

The Credit Agreement limits the Company’s ability to create, incur, assume or permit to exist additional indebtedness and liens, make investments or specified payments, give guarantees, pay dividends, make capital expenditures and merge or acquire or sell assets. In addition, if excess availability falls below the greater of 10.0% of the Loan Cap and $40.0 million for three consecutive business days, and the fixed charge coverage ratio is less than 1.25 to 1.0, the Company would be in default under the Credit Agreement and certain additional covenants would be triggered.

The Credit Agreement contains customary events of default, including, without limitation, payment defaults, breaches of representations and warranties, covenant defaults, cross-defaults to similar obligations, certain events of bankruptcy and insolvency, judgment defaults and the failure of any guaranty or security document supporting the agreement to be in full force and effect. If an event of default occurs, the collateral agent may assume dominion and control over the Company’s cash (a “cash dominion event”) until such event of default is cured or waived or the excess availability exceeds such amount for 30 consecutive days, provided that a cash dominion event shall be deemed continuing (even if an event of default is no longer continuing and/or excess availability exceeds the required amount for 30 consecutive business days) after a cash dominion event has occurred and been discontinued on two occasions in any 12-month period. The Credit Agreement also contains certain other covenants and restrictions. The Company was in compliance with all covenants and restrictions under the Credit Agreement as of January 29, 2022.

The maximum amount of borrowings under the Credit Agreement at the end of any month was $290.0 million and $438.5 million in 2021 and 2020, respectively. In March 2020, the Company increased the borrowings on the revolving credit facility to $440.0 million as a precautionary measure to increase its cash position and preserve financial flexibility given the uncertainty resulting from COVID-19. The Company made debt reduction a priority during the second half of 2020 and throughout 2021. As of January 29, 2022, the Company had $290.0 million of borrowings outstanding and $10.8 million in letters of credit outstanding under the Credit Agreement, with total additional borrowing availability of $155.2 million at January 29, 2022. Average daily borrowings during the year were $172.8 million and $299.8 million in 2021 and 2020, respectively, and the weighted-average interest rates approximated 2.5% and 3.4% for the respective periods.

Senior Notes

On July 27, 2015, the Company issued $200.0 million aggregate principal amount of Senior Notes due on August 15, 2023 (the "Senior Notes"). The Senior Notes bore interest at 6.25%, which was payable on February 15 and August 15 of each year. The Senior Notes were guaranteed on a senior unsecured basis by each of the Company’s subsidiaries that is a borrower or guarantor under the Credit Agreement. On August 16, 2021, the Company redeemed $100.0 million of Senior

Notes at 100.0%. In addition, on January 3, 2022, the remaining $100.0 million of Senior Notes were redeemed at 100.0%, extinguishing the Company's long-term debt.

Loss on Early Extinguishment of Debt
In conjunction with the redemptions of the Senior Notes in August 2021 and January 2022, prior to the maturity in August 2023, the Company incurred losses on early extinguishment of debt totaling $0.8 million. In addition, the Company incurred a loss on early extinguishment of debt of $0.2 million associated with the amendment of the revolving credit facility prior to its maturity.

12. LEASES

The Company leases all of its retail locations, a manufacturing facility, and certain office locations, distribution centers and equipment. At contract inception, leases are evaluated and classified as either operating or finance leases. Leases with an initial term of 12 months or less are not recorded on the balance sheet.

During the first quarter of 2019, the Company adopted ASC 842, using the modified retrospective transition method. The Company elected the package of practical expedients and the expedient to account for lease and non-lease components as a single component for the entire population of operating lease assets. The Company did not elect the hindsight practical expedient to reevaluate the lease term of existing contracts.

Lease right-of-use assets and lease liabilities are recognized based on the present value of the future minimum lease payments over the lease term. The majority of the Company's leases do not provide an implicit rate and therefore, the Company uses an incremental borrowing rate based on the information available at the commencement date to determine the present value of future payments. Lease expense for the minimum lease payments is recognized on a straight-line basis over the lease term. Variable lease payments are expensed as incurred.

The Company regularly analyzes the results of all of its stores and assesses the viability of underperforming stores to determine whether events or circumstances exist that indicate the stores should be closed or whether the carrying amount of their long-lived assets may not be recoverable. After allowing for an appropriate start-up period, unusual nonrecurring events, property and equipment at stores and the lease right-of-use assets indicated as impaired are written down to fair value as calculated using a discounted cash flow method. The fair value of the lease right-of-use assets is determined utilizing projected cash flows for each store location, discounted using a risk-adjusted discount rate, subject to a market floor based on current market lease rates. The Company recorded asset impairment charges, primarily related to underperforming retail stores, of $4.1 million, $56.3 million and $5.9 million during 2021, 2020 and 2019, respectively. The impairment charges recorded in 2020, including $31.4 million associated with operating lease right-of-use assets and $24.9 million associated with property and equipment, primarily reflect the impact of the pandemic on the Company's retail operations and estimates of remaining cash flows for each store, as well as the decision to close all but two of the Company's Naturalizer retail stores. Refer to Note 4 and Note 13 to the consolidated financial statements for further discussion on these impairment charges.

As a result of the temporary store closures during the first half of 2020 associated with the pandemic, certain leases were amended to provide rent abatements and/or deferral of lease payments. Deferred payments continue to be reflected in the lease obligations on the consolidated balance sheets. Under relief provided by the FASB, entities could make a policy election to account for the lease concessions related to COVID-19 as if the enforceable rights existed under the original contract, accounting for them as variable rent rather than lease modifications. The Company made a policy election to account for rent abatements as variable rent. Accordingly, in 2021 and 2020, the Company recorded $2.1 million and $5.4 million, respectively, in lease concessions as a reduction of rent expense within selling and administrative expenses in the consolidated statements of earnings (loss). Rent concessions for leases that were extended were recognized as a lease modification.

The weighted-average lease term and discount rate as of January 29, 2022 and January 30, 2021 were as follows:

	January 29, 2022	January 30, 2021
Weighted-average remaining lease term (in years)	**6.5**	6.8
Weighted-average discount rate	**4.2 %**	4.2 %

During 2021, the Company entered into new or amended leases that resulted in the recognition of right-of-use assets and lease obligations of $118.1 million on the consolidated balance sheets. As of January 29, 2022, the Company has entered into lease commitments for four retail locations for which the leases have not yet commenced. The Company anticipates that the leases for three of the new retail locations will begin in the next fiscal year and one will begin in fiscal year 2023. Upon commencement, right-of-use assets and lease liabilities of approximately $2.2 million and $1.2 million will be recorded on the consolidated balance sheets, in 2022 and 2023, respectively.

The components of lease expense for 2021 and 2020 were as follows:

($ thousands)	2021	2020
Operating lease expense	**$ 149,850**	$ 167,624
Variable lease expense	**40,654**	48,443
Short-term lease expense	**2,837**	4,512
Sublease income	**(652)**	(96)
Total lease expense [(1)]	**$ 192,689**	$ 220,483

(1) Net of lease concessions recognized of $2.1 million and $5.4 million for 2021 and 2020, respectively.

The aggregate future annual lease obligations at January 29, 2022 were as follows:

($ thousands)	
2022	**$ 149,984**
2023	**122,059**
2024	**96,474**
2025	**76,467**
2026	**58,845**
Thereafter	**165,948**
Total minimum operating lease payments	**$ 669,777**
Less imputed interest	**(88,373)**
Present value of lease obligations	**$ 581,404**

Supplemental cash flow information related to leases is as follows:

($ thousands)	2021	2020	2019
Cash paid for lease liabilities [(1)]	**$ 179,921**	$ 145,552	$ 196,033
Cash received from sublease income	**652**	96	269

(1) Cash paid for lease liabilities in 2021 includes payment of certain lease payments deferred in 2020, as described above, as well as lease termination costs associated with the Naturalizer retail store closures, as further discussed in Note 4 to the consolidated financial statements. In addition, cash paid for lease liabilities in 2020 was significantly lower than comparable periods, reflecting the deferral of lease payments during the onset of the pandemic.

13. FAIR VALUE MEASUREMENTS

Fair Value Hierarchy

Fair value measurement disclosure requirements specify a hierarchy of valuation techniques based upon whether the inputs to those valuation techniques reflect assumptions other market participants would use based upon market data obtained from independent sources (“observable inputs”) or reflect the Company’s own assumptions of market participant valuation (“unobservable inputs”). In accordance with the fair value guidance, the inputs to valuation techniques used to measure fair value are categorized into three levels based on the reliability of the inputs as follows:

- Level 1 – Quoted prices in active markets that are unadjusted and accessible at the measurement date for identical, unrestricted assets or liabilities;
- Level 2 – Quoted prices for identical assets and liabilities in markets that are not active, quoted prices for similar assets and liabilities in active markets or financial instruments for which significant inputs are observable, either directly or indirectly; and
- Level 3 – Prices or valuations that require inputs that are both significant to the fair value measurement and unobservable.

In determining fair value, the Company uses valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs to the extent possible. The Company also considers counterparty credit risk in its assessment of fair value. Classification of the financial or non-financial asset or liability within the hierarchy is determined based on the lowest level input that is significant to the fair value measurement.

Measurement of Fair Value
The Company measures fair value as an exit price, the price to sell an asset or transfer a liability in an orderly transaction between market participants at the measurement date, using the procedures described below for all financial and non-financial assets and liabilities measured at fair value.

Money Market Funds
The Company has cash equivalents primarily consisting of short-term money market funds backed by U.S. Treasury securities. The primary objective of these investing activities is to preserve the Company’s capital for the purpose of funding operations and it does not enter into money market funds for trading or speculative purposes. The fair value is based on unadjusted quoted market prices for the funds in active markets with sufficient volume and frequency (Level 1).

Deferred Compensation Plan Assets and Liabilities
The Company maintains a non-qualified deferred compensation plan (the “Deferred Compensation Plan”) for the benefit of certain management employees. The investment funds offered to the participants generally correspond to the funds offered in the Company’s 401(k) plan, and the account balance fluctuates with the investment returns on those funds. The Deferred Compensation Plan permits the deferral of up to 50% of base salary and 100% of compensation received under the Company’s annual incentive plan. The deferrals are held in a separate trust, which has been established by the Company to administer the Deferred Compensation Plan. The assets of the trust are subject to the claims of the Company’s creditors in the event that the Company becomes insolvent. Consequently, the trust qualifies as a grantor trust for income tax purposes (i.e., a “Rabbi Trust”). The liabilities of the Deferred Compensation Plan are presented in other accrued expenses and the assets held by the trust are classified within prepaid expenses and other current assets in the accompanying consolidated balance sheets. Changes in deferred compensation plan assets and liabilities are charged to selling and administrative expenses. The fair value is based on unadjusted quoted market prices for the funds in active markets with sufficient volume and frequency (Level 1).

Deferred Compensation Plan for Non-Employee Directors
Non-employee directors are eligible to participate in a deferred compensation plan with deferred amounts valued as if invested in the Company’s common stock through the use of phantom stock units (“PSUs”). Under the plan, each participating director’s account is credited with the number of PSUs equal to the number of shares of the Company’s common stock that the participant could purchase or receive with the amount of the deferred compensation, based upon the average of the high and low prices of the Company’s common stock on the last trading day of the fiscal quarter when the cash compensation was earned. Dividend equivalents are paid on PSUs at the same rate as dividends on the Company’s common stock and are re-invested in additional PSUs at the next fiscal quarter-end. The liabilities of the plan are based on the fair value of the outstanding PSUs and are presented in other accrued expenses (current portion) or other liabilities in the accompanying consolidated balance sheets. Gains and losses resulting from changes in the fair value of the PSUs are

presented in selling and administrative expenses in the Company's consolidated statements of earnings (loss). The fair value of each PSU is based on an unadjusted quoted market price for the Company's common stock in an active market with sufficient volume and frequency on each measurement date (Level 1).

Restricted Stock Units for Non-Employee Directors
Under the Company's incentive compensation plans, cash-equivalent restricted stock units ("RSUs") of the Company were previously granted at no cost to non-employee directors. These cash-equivalent RSUs are subject to a vesting requirement (usually one year), earn dividend-equivalent units and are settled in cash on the date the director terminates service or such earlier date as a director may elect, subject to restrictions, based on the then current fair value of the Company's common stock. The fair value of each cash-equivalent RSU payable is based on an unadjusted quoted market price for the Company's common stock in an active market with sufficient volume and frequency on each measurement date (Level 1). Additional information related to RSUs for non-employee directors is disclosed in Note 15 to the consolidated financial statements.

Mandatory Purchase Obligation
The Company recorded a mandatory purchase obligation of the noncontrolling interest in conjunction with the acquisition of Blowfish Malibu in July 2018 as further discussed in Note 4 in the consolidated financial statements. The fair value of the mandatory purchase obligation is based on the earnings formula specified in the Purchase Agreement (Level 3). The mandatory purchase obligation and any fair value adjustments are recorded as interest expense. The Company recorded fair value adjustments of $15.4 million, $23.9 million, $6.0 million during 2021, 2020 and 2019, respectively. The earnings projections and discount rate utilized in the initial estimate of the fair value of the mandatory purchase obligation required management judgment and were the assumptions to which the fair value calculation was the most sensitive.

The following table presents the Company's assets and liabilities that are measured at fair value on a recurring basis at January 29, 2022 and January 30, 2021. The Company did not have any transfers between Level 1, Level 2 or Level 3 during 2021, 2020 or 2019.

	Fair Value Measurements			
($ thousands)	Total	Level 1	Level 2	Level 3
Asset (Liability)				
January 29, 2022:				
Non-qualified deferred compensation plan assets	**$ 7,463**	**$ 7,463**	**$ —**	**$ —**
Non-qualified deferred compensation plan liabilities	**(7,463)**	**(7,463)**	—	—
Deferred compensation plan liabilities for non-employee directors	**(1,770)**	**(1,770)**	—	—
Restricted stock units for non-employee directors	**(2,568)**	**(2,568)**	—	—
January 30, 2021:				
Cash equivalents – money market funds	$ 45,000	$ 45,000	$ —	$ —
Non-qualified deferred compensation plan assets	7,918	7,918	—	—
Non-qualified deferred compensation plan liabilities	(7,918)	(7,918)	—	—
Deferred compensation plan liabilities for non-employee directors	(989)	(989)	—	—
Restricted stock units for non-employee directors	(1,661)	(1,661)	—	—
Mandatory purchase obligation - Blowfish Malibu	(39,134)	—	—	(39,134)

Impairment Charges
The Company assesses the impairment of long-lived assets whenever events or changes in circumstances indicate that the carrying value may not be recoverable. Factors the Company considers important that could trigger an impairment review include underperformance relative to expected historical or projected future operating results, a significant change in the manner of the use of the asset or a negative industry or economic trend. When the Company determines that the carrying value of long-lived assets may not be recoverable based upon the existence of one or more of the aforementioned factors, impairment is measured based on a projected discounted cash flow method. Certain factors, such as estimated store sales and expenses, used for this nonrecurring fair value measurement are considered Level 3 inputs as defined by FASB ASC 820, *Fair Value Measurement*. Long-lived assets held and used with a carrying amount of $545.1 million, $615.7 million and $780.2 million in 2021, 2020 and 2019, respectively, were assessed for indicators of impairment. This assessment resulted in the impairment charges presented in the table below, primarily for operating lease right-of-use assets, leasehold

improvements, and furniture and fixtures in the Company's retail stores. Higher impairment charges were recorded in 2020, reflecting adverse economic conditions, driven in part by the COVID-19 pandemic.

($ thousands)		**2021**		2020		2019
Long-Lived Asset Impairment Charges						
Famous Footwear	$	**1,241**	$	14,900	$	1,980
Brand Portfolio		**2,894**		41,443		3,887
Total long-lived asset impairment charges	$	**4,135**	$	56,343	$	5,867

The Company performed its annual impairment review of intangible assets, which involves estimating the fair value using significant unobservable inputs (Level 3). The intangible asset impairment reviews performed in 2021 and 2019 resulted in no impairment charges. As a result of its annual impairment testing, the Company recorded $46.2 million in impairment charges in 2020, as further discussed in Note 1 and Note 10 to the consolidated financial statements.

During 2021, the Company performed a qualitative assessment of goodwill as of the first day of the fourth fiscal quarter. The review indicated no impairment. During 2020, the Company performed an interim impairment test of goodwill, as further discussed in Note 10 to the consolidated financial statements. A quantitative assessment was performed for all reporting units as of May 2, 2020, which involved estimating the fair value of the reporting units using significant unobservable inputs (Level 3). The assessment indicated that the carrying value of the goodwill associated with the Brand Portfolio and Vionic reporting units was impaired, resulting in total goodwill impairment charges of $240.3 million. The quantitative assessments performed as of the first day of the fourth fiscal quarter of 2020 and 2019 resulted in no impairment charges. Refer to Note 1 and Note 10 to the consolidated financial statements for additional information related to the goodwill impairment tests.

Fair Value of the Company's Other Financial Instruments

The fair values of cash and cash equivalents (excluding money market funds discussed above), receivables and trade accounts payable approximate their carrying values due to the short-term nature of these instruments.

The carrying amounts and fair values of the Company's other financial instruments subject to fair value disclosures are as follows:

	January 29, 2022		**January 30, 2021**	
($ thousands)	**Carrying Value** (1)	**Fair Value**	Carrying Value (1)	Fair Value
Borrowings under revolving credit agreement	**$ 290,000**	**$ 290,000**	$ 250,000	$ 250,000
Long-term debt	—	—	200,000	201,000
Total debt	**$ 290,000**	**$ 290,000**	$ 450,000	$ 451,000

(1) Excludes unamortized debt issuance costs and debt discount

The fair value of the borrowings under revolving credit agreement approximates its carrying value due to its short-term nature (Level 1). The fair value of the Company's long-term debt was based upon quoted prices in an inactive market as of the end of the respective periods (Level 2).

14. SHAREHOLDERS' EQUITY

Stock Repurchase Programs

On December 14, 2018 and September 2, 2019, the Board of Directors approved stock repurchase programs ("2018 Program" and "2019 Program", respectively) authorizing the repurchase of the Company's outstanding common stock of up to 2.5 million shares in the 2018 Program and 5.0 million shares in the 2019 Program. The Company can use the repurchase programs to repurchase shares on the open market or in private transactions from time to time, depending on market conditions. The repurchase programs do not have an expiration date. Repurchases of common stock are limited under the Company's debt agreements. In total, 2.5 million shares have been repurchased under the 2018 Program and there are no additional shares authorized to be repurchased. During 2021, the Company repurchased 661,265 shares under the 2019 Program. There are 1,990,224 additional shares authorized to be repurchased under the 2019 Program as of January 29, 2022. Subsequent to year-end, the Board of Directors authorized an additional 7,000,000 shares under the Company's stock repurchase programs. With this increase, the Company has 8,990,224 shares authorized to be repurchased under the repurchase programs.

Repurchases Related to Employee Share-based Awards
During 2021, 2020 and 2019, employees tendered 205,213, 160,101 and 100,728 shares, respectively, related to certain share-based awards. These shares were tendered in satisfaction of the exercise price of stock options and/or to satisfy tax withholding amounts for non-qualified stock options, restricted stock and stock performance awards. Accordingly, these share repurchases are not considered a part of the Company's publicly announced stock repurchase programs.

Accumulated Other Comprehensive Loss
The following table sets forth the changes in accumulated other comprehensive loss, net of tax, by component for 2021, 2020 and 2019:

($ thousands)	Foreign Currency Translation	Pension and Other Postretirement Transactions (1)	Derivative Transactions (2)	Accumulated Other Comprehensive (Loss) Income
Balance February 2, 2019	$ 62	$ (31,055)	$ (608)	$ (31,601)
Other comprehensive (loss) income before reclassifications	(642)	(3,523)	315	(3,850)
Reclassifications:				
Amounts reclassified from accumulated other comprehensive loss	—	4,590	256	4,846
Tax benefit	—	(1,183)	(55)	(1,238)
Net reclassifications	—	3,407	201	3,608
Other comprehensive (loss) income	(642)	(116)	516	(242)
Balance February 1, 2020	$ (580)	$ (31,171)	$ (92)	$ (31,843)
Other comprehensive income before reclassifications	469	20,351	87	20,907
Reclassifications:				
Amounts reclassified from accumulated other comprehensive loss	—	2,418	6	2,424
Tax benefit	—	(623)	(1)	(624)
Net reclassifications	—	1,795	5	1,800
Other comprehensive income	469	22,146	92	22,707
Balance January 30, 2021	$ (111)	$ (9,025)	$ —	$ (9,136)
Other comprehensive loss before reclassifications	**(677)**	**(116)**	**—**	**(793)**
Reclassifications:				
Amounts reclassified from accumulated other comprehensive loss	**—**	**1,788**	**—**	**1,788**
Tax benefit	**—**	**(465)**	**—**	**(465)**
Net reclassifications	**—**	**1,323**	**—**	**1,323**
Other comprehensive (loss) income	**(677)**	**1,207**	**—**	**530**
Balance January 29, 2022	$ **(788)**	$ **(7,818)**	$ **—**	$ **(8,606)**

(1) Amounts reclassified are included in other income, net. Refer to Note 5 to the consolidated financial statements for additional information related to pension and other postretirement benefits.

(2) Amounts reclassified are included in net sales, costs of goods sold and selling and administrative expenses. Refer to Note 1 to the consolidated financial statements for additional information related to derivative financial instruments.

15. SHARE-BASED COMPENSATION

The Company has share-based incentive compensation plans under which certain officers, employees and members of the Board of Directors are participants and may be granted restricted stock, stock performance awards, restricted stock units and stock options.

ASC 718, *Compensation – Stock Compensation*, and ASC 505, *Equity*, require companies to recognize compensation expense in an amount equal to the fair value of all share-based payments granted to employees over the requisite service period for each award. In certain limited circumstances, the Company's incentive compensation plan provides for accelerated vesting of the awards, such as in the event of a change in control, qualified retirement, death or disability. The Company has a policy of issuing treasury shares in satisfaction of share-based awards.

Share-based compensation expense of $12.3 million, $8.1 million and $10.2 million was recognized in 2021, 2020 and 2019, respectively, as a component of selling and administrative expenses. The following table details the share-based compensation expense by plan for 2021, 2020 and 2019:

($ thousands)	**2021**	2020	2019
Expense for share-based compensation plans, net of forfeitures:			
Restricted stock	$ **7,308**	$ 6,840	$ 9,597
Stock performance awards	**3,904**	147	(502)
Restricted stock units	**1,085**	1,109	1,129
Stock options	—	1	22
Total share-based compensation expense	$ **12,297**	$ 8,097	$ 10,246

The Company issued 330,206, 471,569 and 214,435 shares of common stock in 2021, 2020 and 2019, respectively, for restricted stock grants, stock performance awards issued to employees, stock options exercised and common and restricted stock grants issued to non-employee directors, net of forfeitures and shares withheld to satisfy the tax withholding requirement.

The Company recognized an excess tax provision of $0.1 in both 2021 and 2019 and $1.1 million in 2020 related to restricted stock vestings and dividends, performance share award vestings and stock options exercised. The excess tax provision for the respective periods were recorded in income tax (provision) benefit.

Restricted Stock

Under the Company's incentive compensation plans, restricted stock of the Company may be granted at no cost to certain officers, key employees and directors. Plan participants are entitled to cash dividends and voting rights for their respective shares. The restricted stock awards limit the sale or transfer of these shares during the requisite service period. Expense for restricted stock grants is recognized on a straight-line basis separately for each vesting portion of the stock award based upon fair value of the award on the date of grant. The fair value of the restricted stock grants is the quoted market price for the Company's common stock on the date of grant.

The following table summarizes restricted stock activity for 2021, 2020 and 2019:

	Number of Nonvested Restricted Shares	Weighted-Average Grant Date Fair Value
Nonvested at February 2, 2019	1,249,223	$ 29.17
Granted	463,234	22.93
Vested	(222,562)	30.26
Forfeited	(218,100)	28.83
Nonvested at February 1, 2020	1,271,795	26.77
Granted	707,931	6.99
Vested	(430,837)	28.27
Forfeited	(151,662)	22.19
Nonvested at January 30, 2021	1,397,227	16.74
Granted	**616,442**	**19.40**
Vested	**(540,647)**	**26.39**
Forfeited	**(82,625)**	**15.37**
Nonvested at January 29, 2022	**1,390,397**	$ **14.24**

Of the 616,442 restricted shares granted during 2021, 4,910 shares have a cliff-vesting term of one year, 20,000 shares have a cliff-vesting term of two years and 591,532 shares have a graded-vesting term of three years. Of the 707,931 restricted shares granted during 2020, 12,748 shares have a cliff-vesting term of one year and 695,183 shares have a graded-vesting term of three years. Of the 463,234 restricted shares granted during 2019, 12,914 shares had a cliff-vesting term of one year and 450,320 shares have a graded-vesting term of three years. The shares that have a graded-vesting term of three years vest 50% after two years and 50% after three years.

The total grant date fair value of restricted stock awards vested during the years ended January 29, 2022, January 30, 2021 and February 1, 2020, was $14.3 million, $4.4 million and $6.7 million, respectively. As of January 29, 2022, the total remaining unrecognized compensation cost related to nonvested restricted stock grants was $9.2 million, which will be amortized over the weighted-average remaining requisite service period of 1.6 years.

Performance Share Awards

Under the Company's incentive compensation plans, common stock or cash may be awarded at the end of the performance period at no cost to certain officers and key employees if certain financial goals are met. Under the plan, employees are granted performance share awards at a target number of shares or units, which generally vest over a three-year service period. At the end of the vesting period, the employee will have earned an amount of shares between 0% and 200% of the targeted award, depending on the attainment of certain financial goals during the service period. If the awards are granted in units, the employee will be given an amount of cash ranging from 0% to 200% of the equivalent market value of the targeted award. Expense for performance share awards is recognized based upon the fair value of the awards on the date of grant and the anticipated number of shares or cash to be awarded on a straight-line basis for each vesting portion of the share award.

The following table summarizes performance share award activity for 2021, 2020 and 2019:

	Number of Nonvested Performance Share Awards at Target Level	Number of Nonvested Performance Share Awards at Maximum Level	Weighted-Average Grant Date Fair Value
Nonvested at February 2, 2019	457,833	915,666	$ 28.49
Granted	180,000	360,000	23.42
Vested	(149,833)	(299,666)	26.64
Forfeited	(12,000)	(24,000)	28.33
Nonvested at February 1, 2020	476,000	952,000	27.16
Granted	87,750	175,500	7.47
Vested	(153,000)	(306,000)	26.90
Forfeited	(25,000)	(50,000)	18.64
Nonvested at January 30, 2021	385,750	771,500	23.33
Granted	**160,500**	**321,000**	**13.05**
Vested	**(148,000)**	**(296,000)**	**31.84**
Forfeited	**(7,500)**	**(15,000)**	**11.19**
Nonvested at January 29, 2022	**390,750**	**781,500**	$ **16.12**

As of January 29, 2022, the remaining unrecognized compensation cost related to nonvested performance share awards was $2.7 million, which will be recognized over the remaining service period of one year.

During 2021, the Company granted long-term incentive awards payable in cash for the 2021-2023 performance period, with a target value of $7.3 million and a maximum value of $14.6 million. These awards, which vest after a three-year period, are dependent upon the attainment of certain financial goals of the Company for each of the three years and individual achievement of strategic initiatives over the cumulative period of the award. The estimated value of the award, which is reflected within other liabilities on the consolidated balance sheets, is being accrued over the three-year performance period. There were no long-term cash incentive awards granted by the Company during 2020 or 2019.

Stock Options
Stock options are granted to employees at exercise prices equal to the quoted market price of the Company's stock at the date of grant. Stock options generally vest over four years and have a term of 10 years. Compensation cost for all stock options is recognized over the requisite service period for each award. No dividends are paid on unexercised options. Expense for stock options is recognized on a straight-line basis separately for each vesting portion of the stock option award. The Company granted no stock options during 2021, 2020 and 2019.

The following table summarizes stock option activity for 2021:

	Number of Options	Weighted-Average Exercise Price
Outstanding at January 30, 2021	**24,667**	$ 23.74
Exercised	**(2,000)**	8.85
Canceled or expired	**(6,000)**	13.60
Outstanding at January 29, 2022	**16,667**	$ 29.18
Exercisable at January 29, 2022	**16,667**	$ 29.18

As of January 29, 2022, there are no nonvested options.

Restricted Stock Units for Non-Employee Directors
Equity-based grants may be made to non-employee directors in the form of restricted stock units ("RSUs") payable in cash or common stock at no cost to the non-employee director. The RSUs are subject to a vesting requirement (usually one

year), earn dividend equivalent units and are payable in cash or common stock on the date the director terminates service or such earlier date as a director may elect, subject to restrictions, based on the then current fair value of the Company's common stock. Dividend equivalents are paid on outstanding RSUs at the same rate as dividends on the Company's common stock, are automatically re-invested in additional RSUs and vest immediately as of the payment date for the dividend. Expense related to the initial grant of RSUs is recognized ratably over the vesting period based upon the fair value of the RSUs. The RSUs payable in cash are remeasured at the end of each period. Expense for the dividend equivalents is recognized at fair value immediately. Gains and losses resulting from changes in the fair value of the RSUs payable in cash subsequent to the vesting period and through the settlement date are recognized in the Company's consolidated statements of earnings (loss). Refer to Note 5 and Note 13 to the consolidated financial statements for information regarding the deferred compensation plan for non-employee directors.

The following table summarizes restricted stock unit activity for the year ended January 29, 2022:

	Outstanding			Accrued [3]	Nonvested RSUs
	Number of Vested RSUs	Number of Nonvested RSUs	Total Number of RSUs [2]	Total Number of RSUs	Weighted-Average Grant Date Fair Value
January 30, 2021	416,234	107,784	524,018	488,089	$ 9.85
Granted [1]	5,901	39,984	45,885	32,792	27.41
Vested	102,689	(102,689)	—	33,995	10.67
January 29, 2022	524,824	45,079	569,903	554,876	$ 23.56

(1) Granted RSUs include 6,605 RSUs resulting from dividend equivalents paid on outstanding RSUs, of which 5,901 related to outstanding vested RSUs and 704 to outstanding nonvested RSUs.

(2) Total number of RSUs as of January 29, 2022 includes 433,298 RSUs payable in shares and 136,605 RSUs payable in cash.

(3) Accrued RSUs include all fully vested awards and a pro-rata portion of nonvested awards based on the elapsed portion of the vesting period.

The following table summarizes RSUs granted, vested and settled during 2021, 2020 and 2019:

($ thousands, except per unit amounts)	**2021**	2020	2019
Weighted-average grant date fair value of RSUs granted [1]	$ **26.88**	$ 10.12	$ 19.59
Fair value of RSUs vested	$ **2,370**	$ 1,125	$ 589
RSUs settled	**—**	88,370	4,574

(1) Includes dividend equivalents granted on outstanding RSUs, which vest immediately.

The following table details the RSU compensation expense and the related income tax (benefit) provision for 2021, 2020 and 2019:

($ thousands)	**2021**	2020	2019
Compensation expense (income)	$ **907**	$ (613)	$ (1,756)
Income tax (benefit) provision	**(233)**	158	452
Compensation expense (income), net of tax	$ **674**	$ (455)	$ (1,304)

The aggregate fair value of RSUs outstanding and currently vested at January 29, 2022 is $13.2 million and $12.1 million, respectively. The liabilities associated with the accrued RSUs totaled $2.6 million and $1.7 million as of January 29, 2022 and January 30, 2021, respectively.

16. COMMITMENTS AND CONTINGENCIES

Environmental Remediation
Prior operations included numerous manufacturing and other facilities for which the Company may have responsibility under various environmental laws for the remediation of conditions that may be identified in the future. The Company is involved in environmental remediation and ongoing compliance activities at several sites and has been notified that it is or may be a potentially responsible party at several other sites.

Redfield
The Company is remediating, under the oversight of Colorado authorities, the groundwater and indoor air at its owned facility in Colorado (the "Redfield site" or, when referring to remediation activities at or under the facility, the "on-site remediation") and residential neighborhoods adjacent to and near the property (the "off-site remediation") that have been affected by solvents previously used at the facility. The on-site remediation calls for the operation of a pump and treat system (which prevents migration of contaminated groundwater off the property) as the final remedy for the site, subject to monitoring and periodic review of the on-site conditions and other remedial technologies that may be developed in the future. In 2016, the Company submitted a revised plan to address on-site conditions, including direct treatment of source areas, and received approval from the oversight authorities to begin implementing the revised plan.

As the treatment of the on-site source areas progresses, the Company expects to convert the pump and treat system to a passive treatment barrier system. Off-site groundwater concentrations have been reducing over time since installation of the pump and treat system in 2000 and injection of clean water beginning in 2003. However, localized areas of contaminated bedrock just beyond the property line continue to impact off-site groundwater. The modified workplan for addressing this condition includes converting the off-site bioremediation system into a monitoring well network and employing different remediation methods in these recalcitrant areas. In accordance with the workplan, a pilot test was conducted of certain groundwater remediation methods and the results of that test were used to develop more detailed plans for remedial activities in the off-site areas, which were approved by the authorities and are being implemented in a phased manner. The results of groundwater monitoring are being used to evaluate the effectiveness of these activities. The Company continues to implement the expanded remedy workplan that was approved by the oversight authorities in 2015. Based on the progress of the direct remedial action of on-site conditions, the Company submitted a request to the oversight authorities for permission to convert the perimeter pump and treat active remediation system to a passive one. During 2019, a final response was received from the oversight authorities, which is allowing the Company to move forward with implementation of the revised plan on a portion of the treatment system. The Company continues to pursue approval from the oversight authorities for the full conversion of the perimeter pump and treat active remediation system to a passive one. The Company also continues to work with the oversight authorities on the off-site work plan.

The cumulative expenditures for both on-site and off-site remediation through January 29, 2022 were $32.4 million. The Company has recovered a portion of these expenditures from insurers and other third parties. The reserve for the anticipated future remediation activities at January 29, 2022 is $9.8 million, of which $8.8 million is recorded within other liabilities and $1.0 million is recorded within other accrued expenses. Of the total $9.8 million reserve, $5.0 million is for off-site remediation and $4.8 million is for on-site remediation. The liability for the on-site remediation was discounted at 4.8%. On an undiscounted basis, the on-site remediation liability would be $13.3 million as of January 29, 2022. The Company expects to spend approximately $0.5 million in the next year, $0.1 million in each of the following four years and $12.4 million in the aggregate thereafter related to the on-site remediation.

Other
Various federal and state authorities have identified the Company as a potentially responsible party for remediation at certain other sites. However, the Company does not currently believe that its liability for such sites, if any, would be material.

The Company continues to evaluate its estimated costs in conjunction with its environmental consultants and records its best estimate of such liabilities. However, future actions and the associated costs are subject to oversight and approval of various governmental authorities. Accordingly, the ultimate costs may vary, and it is possible costs may exceed the recorded amounts.

Litigation

The Company is involved in legal proceedings and litigation arising in the ordinary course of business. In the opinion of management, the outcome of such ordinary course of business proceedings and litigation currently pending is not expected to have a material adverse effect on the Company's results of operations or financial position. Legal costs associated with litigation are generally expensed as incurred.

SCHEDULE II — VALUATION AND QUALIFYING ACCOUNTS

Col. A	Col. B	Col. C		Col. D	Col. E
		Additions			
Description	Balance at Beginning of Period	Charged to Costs and Expenses	Charged to Other Accounts - Describe	Deductions - Describe	Balance at End of Period
($ thousands)					
YEAR ENDED JANUARY 29, 2022					
Deducted from assets or accounts:					
Doubtful accounts and allowances	**$ 14,928**	**$ (2,242)**	**$ —**	**$ 3,085 (A)**	**$ 9,601**
Customer allowances	**15,151**	**26,100**	**—**	**23,394 (B)**	**17,857**
Customer discounts	**1,892**	**7,459**	**—**	**6,879 (B)**	**2,472**
Inventory valuation allowances	**32,628**	**23,825**	**—**	**25,998 (C)**	**30,455**
Deferred tax asset valuation allowance	**49,981**	**8,978**	**—**	**— (D)**	**58,959**
YEAR ENDED JANUARY 30, 2021					
Deducted from assets or accounts:					
Doubtful accounts and allowances	$ 1,813	$ 10,575	$ 2,521 (E)	$ (19) **(A)**	$ 14,928
Customer allowances	25,816	20,355	—	31,020 **(B)**	15,151
Customer discounts	1,198	11,692	—	10,998 **(B)**	1,892
Inventory valuation allowances	20,610	63,543	—	51,525 **(C)**	32,628
Deferred tax asset valuation allowance	4,809	45,434	—	262 **(D)**	49,981
YEAR ENDED FEBRUARY 1, 2020					
Deducted from assets or accounts:					
Doubtful accounts and allowances	$ 3,050	$ 773	$ —	$ 2,010 **(A)**	$ 1,813
Customer allowances	24,750	62,737	—	61,671 **(B)**	25,816
Customer discounts	1,198	12,046	—	12,046 **(B)**	1,198
Inventory valuation allowances	14,401	45,489	—	39,280 **(C)**	20,610
Deferred tax asset valuation allowance	4,199	873	—	263 **(D)**	4,809

(A) Accounts written off, net of recoveries.

(B) Discounts and allowances granted to wholesale customers of the Brand Portfolio segment.

(C) Adjustment upon sale of related inventories.

(D) Reductions to the valuation allowances for the net operating loss carryforwards for certain states based on the Company's expectations for utilization of net operating loss carryforwards.

(E) Adjustment upon adoption of ASU 2016-13. Refer to additional detail in Note 2 to the consolidated financial statements.

ITEM 9 CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

None.

ITEM 9A CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

It is the Chief Executive Officer's and Chief Financial Officer's ultimate responsibility to ensure we maintain disclosure controls and procedures designed to provide reasonable assurance that information required to be disclosed in the reports that we file or submit under the Securities Exchange Act of 1934 is recorded, processed, summarized and reported within the time periods specified in the Commission's rules and forms and is accumulated and communicated to our management, including our principal executive and principal financial officers, or persons performing similar functions, as appropriate to allow timely decisions regarding required disclosure. Our disclosure controls and procedures include mandatory communication of material events; automated accounting processing and reporting; management review of monthly, quarterly and annual results; an established system of internal controls; and internal control reviews by our internal auditors.

A control system, no matter how well-conceived or operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. Furthermore, the design of a control system must reflect the fact there are resource constraints, and the benefits of controls must be considered relative to their costs. Because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, have been detected. These inherent limitations include the realities that judgments in decision-making can be faulty, and breakdowns can occur because of simple error or mistake. Additionally, controls can be circumvented by the individual acts of some persons, by collusion of two or more people or by management override of the controls. The design of any system of controls is based in part upon certain assumptions about the likelihood of future events, and there can be no assurance any design will succeed in achieving its stated goals under all potential future conditions; over time, controls may become inadequate because of changes in conditions or the degree of compliance with the policies or procedures may deteriorate. Because of the inherent limitations in a cost-effective control system, misstatements due to errors or fraud may occur and not be detected. Our disclosure controls and procedures are designed to provide a reasonable level of assurance that their objectives are achieved. As of January 29, 2022, management of the Company, including the Chief Executive Officer and Chief Financial Officer, conducted an evaluation of the effectiveness of our disclosure controls and procedures (as defined in Rule 13a-15(e) under the Securities Exchange Act of 1934). Based upon and as of the date of that evaluation, the Chief Executive Officer and Chief Financial Officer have concluded our disclosure controls and procedures were effective at the reasonable assurance level.

Internal Control Over Financial Reporting

Based on the evaluation of internal control over financial reporting, the Chief Executive Officer and Chief Financial Officer have concluded that there have been no changes in the Company's internal controls over financial reporting or in other factors during the quarter ended January 29, 2022, that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

ITEM 9B OTHER INFORMATION

None.

ITEM 9C DISCLOSURE REGARDING FOREIGN JURISDICTIONS THAT PREVENT INSPECTIONS

Not applicable.

PART III

ITEM 10 DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE

Information regarding Directors of the Company is set forth under the caption *Proposal 1 – Election of Directors* in the Proxy Statement for the Annual Meeting of Shareholders to be held May 26, 2022, which information is incorporated herein by reference.

Information regarding Executive Officers of the Registrant is set forth under the caption *Information about our Executive Officers* that can be found in Item 1 of this report, which information is incorporated herein by reference.

Information regarding Section 16, Beneficial Ownership Reporting Compliance, is set forth under the caption *Delinquent Section 16(a) Reports* in the Proxy Statement for the Annual Meeting of Shareholders to be held May 26, 2022, which information is incorporated herein by reference.

Information regarding the Audit Committee and the Audit Committee financial expert is set forth under the caption *Board Meetings and Committees* in the Proxy Statement for the Annual Meeting of Shareholders to be held May 26, 2022, which information is incorporated herein by reference.

Information regarding the Corporate Governance Guidelines, Code of Business Conduct, and Code of Ethics is set forth under the caption *Corporate Governance* in the Proxy Statement for the Annual Meeting of Shareholders to be held May 26, 2022, which information is incorporated herein by reference.

ITEM 11 EXECUTIVE COMPENSATION

Information regarding Executive Compensation is set forth under the captions *Compensation Discussion and Analysis, Executive Compensation,* and *Compensation of Non-Employee Directors* in the Proxy Statement for the Annual Meeting of Shareholders to be held May 26, 2022, which information is incorporated herein by reference.

Information regarding the Compensation Committee Report is set forth under the caption *Compensation Committee Report* in the Proxy Statement for the Annual Meeting of Shareholders to be held May 26, 2022, which information is incorporated herein by reference.

Information regarding Compensation Committee Interlocks and Insider Participation is set forth under the caption *Compensation Committee Interlocks and Insider Participation* in the Proxy Statement for the Annual Meeting of Shareholders to be held May 26, 2022, which information is incorporated herein by reference.

ITEM 12 SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

Information regarding Company Stock Ownership by Directors, Officers and Principal Holders of Our Stock is set forth under the caption *Stock Ownership by Directors, Executive Officers and 5% Shareholders* in the Proxy Statement for the Annual Meeting of Shareholders to be held May 26, 2022, which information is incorporated herein by reference.

Equity Compensation Plan Information

The following table sets forth aggregate information regarding the Company's equity compensation plans as of January 29, 2022:

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)	Weighted-average exercise price of outstanding options, warrants and rights (b)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c)
Equity compensation plans approved by security holders	798,167 [(1)]	$ 29.18 [(1)]	2,515,912 [(2)]
Equity compensation plans not approved by security holders	—	—	—
Total	798,167	$ 29.18	2,515,912

(1) Column (a) includes 16,667 outstanding (vested and nonvested) stock options and 781,500 performance share units payable in stock, which reflects the maximum number of shares to be issued under the performance share plans. The target number of shares to be issued under the plans is 390,750. Performance share awards were disregarded for purposes of computing the weighted-average exercise price in column (b). This table excludes independent directors' deferred compensation units and restricted stock units payable in cash.

(2) Represents our remaining shares available for award grants based upon the provisions of the plans, which reflect our practice to reserve shares for outstanding awards. The number of securities available for grant has been reduced for stock option grants and performance share awards payable in stock. Performance share awards are reserved based on the maximum payout level.

Information regarding share-based plans is set forth in Note 15 to the consolidated financial statements and is hereby incorporated by reference.

ITEM 13 CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE

Information regarding Certain Relationships and Related Transactions is set forth under the caption *Related Party Transactions* in the Proxy Statement for the Annual Meeting of Shareholders to be held May 26, 2022, which information is incorporated herein by reference.

Information regarding Director Independence is set forth under the caption *Director Independence* in the Proxy Statement for the Annual Meeting of Shareholders to be held May 26, 2022, which information is incorporated herein by reference.

ITEM 14 PRINCIPAL ACCOUNTANT FEES AND SERVICES

Information regarding our Principal Accountant Fees and Services is set forth under the caption *Fees Paid to Independent Registered Public Accountants* in the Proxy Statement for the Annual Meeting of Shareholders to be held May 26, 2022, which information is incorporated herein by reference.

PART IV

ITEM 15 EXHIBITS AND FINANCIAL STATEMENT SCHEDULES

(a) (1) and (2) The list of financial statements and Financial Statement Schedules required by this item is included in the Index under *Financial Statements and Supplementary Data*. All other schedules specified under Regulation S-X have been omitted because they are not applicable, because they are not required or because the information required is included in the financial statements or notes thereto.

(3) Exhibits

Certain instruments defining the rights of holders of long-term debt securities of the Company are omitted pursuant to Item 601(b)(4)(iii) of Regulation S-K, and the Company hereby undertakes to furnish to the SEC, upon request, copies of any such instruments.

Exhibit No.	Description
2.1	Equity and Asset Purchase Agreement, dated October 18, 2018, by and among Caleres, Inc., the Equity Sellers (as defined therein), VCG Holdings Ltd., Christopher T. Gallagher and Daniel M. Sanner, solely in their capacity as Sellers' Representative (as defined therein), and Christopher T. Gallagher and C. Bruce Campbell, solely with respect to specified provisions, incorporated herein by reference to Exhibit 2.1 to the Company's Form 8-K filed October 19, 2018.
3.1	Restated Certificate of Incorporation of Caleres, Inc. (the "Company") incorporated herein by reference to Exhibit 3.1 to the Company's Form 8-K filed June 1, 2020.
3.2	Bylaws of the Company as amended through March 10, 2022, incorporated herein by reference to Exhibit 3.1 to the Company's Form 8-K filed March 11, 2022.
4.1	Description of the Registrant's Securities Registered Pursuant to Section 12 of The Securities Exchange Act of 1934, incorporated herein by reference to Exhibit 4.1 to the Company's Form 10-K for the year ended February 1, 2020, and filed March 31, 2020.
10.1	First Amendment to Fourth Amended and Restated Credit Agreement, dated as of July 20, 2015 (the "Credit Agreement"), among the Company, as lead borrower for itself and on behalf of certain of its subsidiaries, and Bank of America, N.A., as lead issuing bank, administrative agent and collateral agent, Wells Fargo Bank, National Association, as an issuing bank, Wells Fargo Bank, National Association, as syndication agent, JPMorgan Chase Bank, N.A. and SunTrust Bank, as co-documentation agents, and the other financial institutions party thereto, as lenders, incorporated herein by reference to Exhibit 10.1 to the Company's Form 8-K dated and filed July 20, 2015.
10.1a	Second Amendment to Fourth Amended and Restated Credit Agreement, dated August 17, 2016, among the Company, as lead borrower for itself and on behalf of certain of its subsidiaries, and the financial institutions party thereto, incorporated herein by reference to Exhibit 10.1 to the Company's Form 10-Q for the quarterly period ended July 30, 2016.
10.1b	Third Amendment to Fourth Amended and Restated Credit Agreement, dated January 18, 2019, among the Company, as lead borrower for itself and on behalf of certain of its subsidiaries, and the financial institutions party thereto, incorporated herein by reference to Exhibit 10.1 to the Company's Form 8-K dated and filed January 23, 2019.
10.1c	Fourth Amendment to Fourth Amended and Restated Credit Agreement, dated April 14, 2020, among the Company, as lead borrower for itself and on behalf of certain of its subsidiaries, and the financial institutions party thereto, incorporated herein by reference to Exhibit 10.1 to the Company's 8-K dated and filed April 20, 2020.
10.1d	Fifth Amendment to Fourth Amended and Restated Credit Agreement, dated October 5, 2021, among the Company, as lead borrower for itself and on behalf of certain of its subsidiaries, and the financial institutions party thereto, incorporated herein by reference to Exhibit 10.1 to the Company's 8-K dated and filed October 7, 2021.
10.2a*	Caleres, Inc. Incentive and Stock Compensation Plan of 2002, as Amended and Restated as of May 22, 2008, incorporated herein by reference to Exhibit A to the Company's definitive proxy statement dated and filed April 11, 2008.
10.2b(1)*	Form of Incentive Stock Option Award Agreement (for grants commencing May 2008) under the Company's Incentive and Stock Compensation Plan of 2002, incorporated herein by reference to Exhibit 10.5b(1) to the Company's Form 10-K for the year ended January 31, 2009, and filed March 31, 2009.

10.2b(2)*	Form of Incentive Stock Option Award Agreement (for grants prior to May 2008) under the Company's Incentive and Stock Compensation Plan of 2002, incorporated herein by reference to Exhibit 10.4 to the Company’s Form 10-Q for the quarter ended July 31, 2004, and filed September 8, 2004.
10.2c(1)*	Form of Non-Qualified Stock Option Award Agreement (for grants commencing May 2008) under the Company’s Incentive and Stock Compensation Plan of 2002, incorporated herein by reference to Exhibit 10.5c(1) to the Company’s Form 10-K for the year ended January 31, 2009, and filed March 31, 2009.
10.2c(2)*	Form of Non-Qualified Stock Option Award Agreement (for grants prior to May 2008) under the Company’s Incentive and Stock Compensation Plan of 2002, incorporated herein by reference to Exhibit 10.3 to the Company’s Form 10-Q for the quarter ended July 31, 2004, and filed September 8, 2004.
10.3a*	Caleres, Inc. Incentive and Stock Compensation Plan of 2011, as amended and restated effective May 28, 2015, incorporated herein by reference to Exhibit 10.1 to the Company’s Form 10-Q for the quarter ended May 2, 2015, and filed June 10, 2015.
10.3b*	Form of Restricted Stock Award Agreement (for employee grants commencing December 2016 and March 2017) under the Company’s Incentive and Stock Compensation Plan of 2011, incorporated herein by reference to Exhibit 10.2(g) to the Company’s Form 10-K for the year ended January 28, 2017, and filed March 28, 2017.
10.4a*	Caleres, Inc. Incentive and Stock Compensation Plan of 2017, incorporated herein by reference to Exhibit A to the Company’s definitive proxy statement dated and filed April 14, 2017.
10.4b*	Form of Performance Award Agreement (for 2019-2021 performance period) under the Company’s Incentive and Stock Compensation Plan of 2017, incorporated herein by reference to Exhibit 10.4c to the Company’s Form 10-K for the year ended February 2, 2019, and filed April 2, 2019.
10.4c*	Form of Performance Award Agreement (for 2020-2022 performance period) under the Company’s Incentive and Stock Compensation Plan of 2017, incorporated herein by reference to Exhibit 10.4a to the Company’s Form 10-Q for the quarterly period ended October 31, 2020, and filed December 9, 2020.
10.4d*	Form of Performance Award Agreement (for 2021-2023 performance period) under the Company’s Incentive and Stock Compensation Plan of 2017, incorporated herein by reference to Exhibit 10.4e to the Company’s Form 10-K for the year ended January 30, 2021, and filed March 30, 2021.
†10.4e*	Form of Performance Award Agreement (for 2022-2024 performance period) under the Company’s Incentive and Stock Compensation Plan of 2017, filed herewith.
10.4f*	Form of Restricted Stock Award Agreement (for employee grants commencing March 2018) under the Company’s Incentive and Stock Compensation Plan of 2017, incorporated herein by reference to Exhibit 10.4d to the Company’s Form 10-K for the year ended February 3, 2018, and filed April 4, 2018.
10.4g*	Form of Restricted Stock Award Agreement (for employee grants commencing March 2019) under the Company’s Incentive and Stock Compensation Plan of 2017, incorporated herein by reference to Exhibit 10.4f to the Company’s Form 10-K for the year ended February 2, 2019, and filed April 2, 2019.
10.4h*	Form of Restricted Stock Award Agreement (for employee grants commencing March 2020) under the Company’s Incentive and Stock Compensation Plan of 2017, incorporated herein by reference to Exhibit 10.4h to the Company’s 10-K for the year ended February 1, 2020, and filed March 31, 2020.
10.4i*	Form of Restricted Stock Award Agreement (for employee grants commencing March 2021) under the Company’s Incentive and Stock Compensation Plan of 2017, incorporated herein by reference to Exhibit 10.4j to the Company’s 10-K for the year ended January 31, 2021, and filed March 30, 2021.
†10.4j*	Form of Restricted Stock Award Agreement (for employee grants commencing March 2022) under the Company’s Incentive and Stock Compensation Plan of 2017, filed herewith.
10.5*	Form of Non-Employee Director Restricted Stock Unit Agreement between the Company and its Non-Employee Directors (for grants commencing in 2015), incorporated herein by reference to Exhibit 10.4a to the Company’s Form 10-K for the year ended January 30, 2016, and filed March 29, 2016.
10.6*	Caleres, Inc. Deferred Compensation Plan for Non-Employee Directors, as amended and restated as of May 28, 2015, incorporated herein by reference to Exhibit 10.2 to the Company’s Form 10-Q for the quarter ended May 2, 2015, and filed June 10, 2015.
10.7*	Caleres, Inc. Supplemental Executive Retirement Plan (SERP), as amended and restated as of May 28, 2015, incorporated herein by reference to Exhibit 10.3 to the Company’s Form 10-Q for the quarter ended May 2, 2015, and filed June 10, 2015.

10.8*	Caleres, Inc. Deferred Compensation Plan, as amended and restated as of May 28, 2015, incorporated herein by reference to Exhibit 10.4 to the Company's Form 10-Q for the quarter ended May 2, 2015, and filed June 10, 2015.
10.9*	Caleres, Inc. Non-Employee Director Share Plan (2009), incorporated herein by reference to Exhibit 10.5 to the Company's Form 10-Q for the quarter ended May 2, 2015, and filed June 10, 2015.
10.10*	Severance Agreement, effective April 1, 2006, between the Company and Diane M. Sullivan, incorporated herein by reference to Exhibit 10.5 to the Company's Form 8-K dated and filed April 6, 2006.
10.11*	Severance Agreement, dated March 24, 2009 and effective as of April 1, 2009, between the Company and Daniel R. Friedman, incorporated herein by reference to Exhibit 10.16 to the Company's Form 10-K for the year ended January 31, 2015, and filed March 31, 2015.
10.12*	Form of Amendment letter dated December 18, 2009, to the Severance Agreements between the Company and each of: Daniel R. Friedman and Diane M. Sullivan, as incorporated herein by reference to Exhibit 10.6 to the Company's Form 10-Q for the quarter ended July 31, 2010, and filed September 7, 2010.
10.13*	Severance Agreement, effective February 16, 2015, between the Company and Kenneth H. Hannah, incorporated herein by reference to Exhibit 10.1 to the Company's Form 8-K dated and filed February 6, 2015.
10.14*	Severance Agreement, effective June 14, 2018, between the Company and John W. Schmidt, incorporated herein by reference to Exhibit 10.1 to the Company's Form 10-Q for the quarter ended August 4, 2018, and filed September 12, 2018.
†10.15*	Severance Agreement, effective January 31, 2022, between the Company and Michael R. Edwards, filed herewith.
†21	Subsidiaries of the registrant.
†23	Consent of Independent Registered Public Accounting Firm.
†24	Power of attorney (contained on signature page).
†31.1	Certification of the Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
†31.2	Certification of the Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
†32.1	Certification of the Chief Executive and Chief Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
†101.INS	Inline XBRL Instance Document
†101.SCH	Inline XBRL Taxonomy Extension Schema Document
†101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document
†101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document
†101.PRE	Inline XBRL Taxonomy Presentation Linkbase Document
†101.DEF	Inline XBRL Taxonomy Definition Linkbase Document
†104	Cover Page Interactive Data File, formatted in iXBRL and contained in Exhibit 101.

(b) Exhibits:
See Item 15(a)(3) above. On request, copies of any exhibit will be furnished to shareholders upon payment of the Company's reasonable expenses incurred in furnishing such exhibits.

(c) Financial Statement Schedules:
See Item 8 above.

---

* Denotes management contract or compensatory plan arrangements.
† Denotes exhibit is filed with this Form 10-K.

ITEM 16 FORM 10-K SUMMARY

None.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

CALERES, INC.

By: /s/ Kenneth H. Hannah
Kenneth H. Hannah
Senior Vice President and Chief Financial Officer

Date: March 28, 2022

Know all men by these presents, that each person whose signature appears below constitutes and appoints Diane M. Sullivan and Kenneth H. Hannah his or her true and lawful attorney-in-fact and agent, with full power of substitution and resubstitution, for him or her and in his or her name, place and stead, in any and all capacities, to sign any and all amendments to this Annual Report on Form 10-K, and to file the same, with all exhibits thereto, and other documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorney-in-fact and agent, full power and authority to do and perform each and every act and thing requisite and necessary to be done, as fully to all intents and purposes as he or she might or could do in person, hereby ratifying and confirming all that said attorney-in-fact and agent or his substitute or substitutes may lawfully do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant, on the dates and in the capacities indicated.

Signatures	Date	Title
/s/ Diane M. Sullivan Diane M. Sullivan	March 28, 2022	Chief Executive Officer and Chairman of the Board of Directors (Principal Executive Officer)
/s/ Kenneth H. Hannah Kenneth H. Hannah	March 28, 2022	Senior Vice President and Chief Financial Officer (Principal Financial Officer)
/s/ Todd E. Hasty Todd E. Hasty	March 28, 2022	Senior Vice President and Chief Accounting Officer (Principal Accounting Officer)
/s/ Lisa A. Flavin Lisa A. Flavin	March 23, 2022	Director
/s/ Brenda Freeman Brenda Freeman	March 23, 2022	Director
/s/ Lori H. Greeley Lori H. Greeley	March 23, 2022	Director
/s/ Mahendra R. Gupta Mahendra R. Gupta	March 23, 2022	Director
/s/ Carla C. Hendra Carla C. Hendra	March 23, 2022	Director
/s/ Ward M. Klein Ward M. Klein	March 23, 2022	Director
/s/ Steven W. Korn Steven W. Korn	March 23, 2022	Director
/s/ W. Patrick McGinnis W. Patrick McGinnis	March 23, 2022	Director
/s/ Wenda Harris Millard Wenda Harris Millard	March 23, 2022	Director

Exhibit 10.4e

CALERES, INC.
INCENTIVE AND STOCK COMPENSATION PLAN OF 2017

PERFORMANCE AWARD AGREEMENT

THIS AWARD AGREEMENT, effective March 17, 2022, represents the grant of a long-term incentive cash award ("Award") by Caleres, Inc. ("Company") to the Participant named below, who has been selected by the Compensation Committee of the Company's Board of Directors (the "Committee") to receive the Award with respect to the Performance Periods set forth below under the Company's Incentive and Stock Compensation Plan of 2017 (the "Plan"). Subject to the terms set forth below, all of which constitute part of this Agreement, this Award provides the following:
:

Participant:

Target Award: $______ total; $______ per Performance Period

Form of Payment: Cash

Performance Cycle: The Company's Fiscal Years 2022 through 2024

Performance Periods: Four distinct performance periods: Fiscal Year 2022, Fiscal Year 2023, Fiscal Year 2024 and individual strategic initiatives for the three-year period of Fiscal Years 2022 – 2024, with one-fourth of the Target Award allocated to each of Fiscal Year 2022, Fiscal Year 2023, Fiscal Year 2024 and individual strategic initiatives for the three-year period of Fiscal Years 2022 – 2024.

Performance Measure(s): Based on Cumulative Adjusted EPS, Net Sales, and Strategic Initiatives, as more fully defined in the Performance Matrix set forth in Attachment A ("Attachment A")

Minimum Performance Level: As shown in Attachment A

Maximum Award Value: 200% of Target Award for each Performance Period

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed effective as of the last date written below.

CALERES, INC.

By:

____
Becky Helvey
Sr. Director, Total Rewards

Date: March 17, 2022

Accepted: ____________________
Participant Signature

Date: ______________________

Caleres, Inc.
PERFORMANCE AWARD 2022 to 2024
General Terms and Conditions (as of August 23, 2017)

The parties hereto agree as follows:

1. **Performance Period(s)**. The Performance Period(s) shall be as specified on the executed cover page of this Award.

2. **Performance Measure(s).** The Performance Measure(s) shall be as specified on the executed coverage page of this Award.

3. **Value of Award.** The Award shall represent and have a Maximum Award Value as specified on the executed cover page of this Award.

4. **Earning the Award; Certification of Performance and Percent Earned**. The portion of the Award allocated to a Performance Period shall be "earned" following the end of such Performance Period, as of the date the Committee shall determine and certify: (a) whether the Minimum Performance Level (as set forth on Attachment A) has been satisfied; (b) and if so, the percent of the Award that has been earned in accordance with Attachment A (the "Percent Earned"), but in no event more than the Maximum Award Value; and provided that the determinations pursuant to (a) and (b) shall be subject to the Committee's right to exercise its discretion to reduce the Company's level of performance based on the quality of earnings pursuant to Section 9 of the Plan. All calculations as to the Performance Measures shall be adjusted (1) pursuant to Section 14.2 of the Plan and (2) in the Committee's discretion to exclude all items of gain, loss or expense for the Performance Period which the Committee determines to be extraordinary or unusual in nature or infrequent in occurrence or related to the acquistion or disposal of a business (or portion thereof) or related to a change in accounting principle all as determined in accordance with applicable accounting standards established pursuant to generally accepted accounting principles.

5. **Amount Payable and Payment of the Award**.

(a) Unless this Award is sooner terminated in accordance with Section 5, an earned Award (as provided in Section 3) shall be payable within sixty (60) days following completion of the Performance Cycle. Subject to Section 5(b) and in accordance with Section 5(c), this Award shall not be payable and shall be forfeited if Participant terminates employment with the Company prior to the date that the Award payment is made to the Participant.

(b) The amount payable to the Participant shall be determined by multiplying the Percent Earned by the Target Award specified on Attachment A, subject to the Committee's right to exercise discretion as provided in Section 3.

(c) Unless otherwise specified on the executed cover page of this Award, payment of the earned award shall be made in cash.

6. **Termination Provisions**.

(a) If, pursuant to Section 3, the Committee certifies that the Minimum Performance Level has not been achieved, this Award shall immediately terminate and no longer be of any effect.

(b) If Participant's employment is terminated during the Performance Period by reason of death, Disability, retirement (as determined and approved by the Committee) or early retirement (as determined and approved by the Committee), the Committee, in its sole discretion, shall determine whether the Participant (or Participant's beneficiary in the event of death) shall be eligible to receive any payment under this Award. If payment of this Award is approved by the Committee, such payment shall be pro-rated based on the number of full months of continued active employment by Participant during the Performance Cycle as a percent of the total number of months in the Performance Cycle; the amount payable shall be based on the Percent Earned; and payment shall be made pursuant to Section 4 at the same time as payment of other awards for the same Performance Cycle are made to other eligible participants who did not terminate employment during the Performance Cycle. Notwithstanding the foregoing, in the event of Participant's termination due to death or Disability, if approved by the Committee, such pro-rated payment may be made prior to expiration of the Performance Cycle, with calculation of and timing of the payment amount to be determined by the Committee.

(c) Except as provided in subsection 5(b), a Participant shall be eligible for payment of the earned Award, as specified in Section 3, only if the Participant remains continuously employed by the Company from the date of this Agreement, through the end of the Performance Cycle and continuing thereafter until the date the Awards is actually paid.

7. **Dividends**. To the extent applicable, the Participant shall have no right to any dividends that may be paid with respect to Shares until any such shares are vested.

8. **Change in Control**. If a Participant is employed by the Company on the date of a Change in Control, subject to Article 13 of the Plan, unless otherwise specifically prohibited under applicable laws, or by the rules and regulations of any governing governmental agencies or national securities exchange, the Award shall be deemed to have been fully earned for the entire Performance Cycle and fully vested as of the effective date of the Change in Control; and based upon an assumed achievement of all relevant targeted performance goals, the Award shall be payable in the amounts or at the level provided by the above-referenced provisions of the Plan within thirty (30) days following the effective date of the Change in Control.

9. **Recapitalization**. To the extent applicable, subject to Section 4.2 of the Plan, in the event that there is any change in corporate capitalization, such as a stock split, or a corporate transaction, such as any merger, consolidation, separation including a spin-off, or other distribution of stock or property of the Company, any reorganization (whether or not such reorganization comes within the definition of such term in Code 368) or any partial or complete liquidation of the Company, such adjustment shall be made in the number and class and/or price of the Shares subject to this Award, as may be determined to be appropriate and equitable by the Committee, in its sole discretion, to prevent dilution or enlargement of rights; provided, however, that the number of Performance Shares subject to this Award shall always be a whole number.

10. **Tax Withholding**. The Company shall have the power and the right to deduct or withhold, or require the Participant or beneficiary to remit to the Company, an amount sufficient

to satisfy Federal, state, and local taxes, domestic or foreign, required by law or regulation to be withheld with respect to any taxable event arising as a result of the Award.

11. **Clawback**. Any payouts will be subject to recovery if it is determined that the Participant personally and knowingly engaged in practices that materially contributed to the circumstances that led to the restatement of the Company's financial statements.

12. **Nontransferability**. This Agreement, as well as the rights granted thereunder, may not be sold, transferred, pledged, assigned, or otherwise alienated or hypothecated, other than by will or by the laws of descent and distribution.

13. **Administration**.

(a) This Award and the rights of the Participant hereunder are subject to all terms and conditions of the Plan, as the same may be amended from time to time, as well as to such rules and regulations as the Committee may adopt for administration of the Plan. It is expressly understood that the Committee is authorized to administer, construe, and make all determinations necessary or appropriate to the administration of the Plan and this Agreement, all of which shall be binding upon the Participant.

(b) If there is any inconsistency between the terms of this Award and the terms of the Plan, the Plan's terms shall completely supersede and replace the conflicting terms of this Agreement. All capitalized terms shall have the meanings ascribed to them in the Plan unless specifically set forth otherwise herein.

14. **Miscellaneous**

(a) This Agreement shall not confer upon the Participant any right to continuation of employment by the Company, nor shall this Agreement interfere in any way with the Company's right to terminate his or her employment at any time.

(b) The Committee and/or the Company's Board of Directors may terminate, amend, or modify the Plan; provided, however, that no such termination, amendment, or modification of the Plan may in any way adversely affect the Participant's rights under this Agreement without the Participant's written consent.

(c) This Agreement shall be subject to all applicable laws, rules, and regulations, and to such approvals by any governmental agencies or national securities exchanges as may be required.

(d) To the extent not preempted by Federal law, this Agreement shall be construed in accordance with and governed by the substantive laws of the State of Missouri without regard to conflicts of laws principles, which might otherwise apply. Any litigation arising out of, in connection with, or concerning any aspect of the Plan or this Agreement shall be conducted exclusively in the State or Federal courts located in the City or County of St. Louis, Missouri.

Exhibit 10.4j

RESTRICTED STOCK AWARD AGREEMENT - Employee
CALERES, INC.
INCENTIVE AND STOCK COMPENSATION PLAN OF 2017

Caleres, Inc., a New York corporation (the "Company"), grants to the participant identified below an award of Restricted Shares, which shall be shares of the Company's Common Stock, $.01 par value ("Common Stock"), pursuant to the provisions of the Incentive and Stock Compensation Plan of 2017 (the "Plan"), and subject to the key terms set forth below and the attached General Terms and Conditions (dated as of August 31, 2017), including restrictions applicable to the Restricted Shares, all of which constitute part of this Agreement (the "Restricted Stock Award"), as follows:

Participant:

Award Grant Date: March 17, 2022

Number of Restricted Shares: _____ Shares of Caleres, Inc. Common Stock, subject to certain restrictions.

Vesting Schedule (Lapse of Restrictions): 3 year graded: 50% after 2 years and 50% after 3 years

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed effective as of the date written below.

CALERES, INC.

By:

____
Becky Helvey
Sr. Director, Total Rewards
Date: March 17, 2022

Accepted: ____
Participant

Date: ____________________________________

RESTRICTED STOCK AWARD
General Terms and Conditions (as of August 31, 2017)

Incentive and Stock Compensation Plan of 2017

1. **Restrictions**

The Restricted Shares are restricted as to disposition and may not be pledged; and are subject to forfeiture unless certain conditions are met. The Company's transfer agent has been advised that the Restricted Shares cannot be sold, transferred, re-registered or disposed of until the restrictions on the shares lapse. Restricted Shares shall vest, and the restrictions shall no longer apply, as to the number or percentage of Restricted Shares and on the dates specified above as the "Vesting Schedule." A further restriction on the Restricted Shares is that you shall only be entitled to receive Shares free of restrictions if, at the time of the lapse of such restrictions, you are then in the employ of the Company and shall have been continuously so employed since the date of grant of the Restricted Shares. If you do not meet these conditions at any time, such Shares shall be forfeited.

2. **Voting Rights and Dividend Rights**

You will be entitled to full voting rights and dividend rights for all Restricted Shares, beginning with the date of grant, regardless of restriction periods. Dividends may be paid directly to you or may be credited to your dividend re-investment plan account. Dividend rights and voting rights will be cancelled in the event the Restricted Shares are forfeited.

3. **Book Entry for Restricted Shares**.

You will not receive a certificate for the Restricted Shares; instead, the Restricted Shares will be credited as a book entry to an account in your name with the Company's transfer agent. At such time as the restrictions lapse, those Shares that are no longer subject to restrictions shall be transferred to a non-restricted account in your name with the transfer agent or as otherwise directed by you and agreed by the Company.

4. **Death, Disability or Retirement**.

In the event of termination of employment due to death, permanent Disability, or retirement (including but not limited to any early retirement) if approved by the Compensation Committee, all Restricted Shares shall vest immediately and be free of restrictions.

5. **Change in Control**.

Subject to Article 13 of the Plan, unless otherwise specifically prohibited under applicable laws, or by the rules and regulations of any governing governmental agencies or national securities exchange, the Restricted Shares still subject to restrictions under this Agreement shall automatically vest and all restrictions shall lapse upon the occurrence of a Change in Control.

6. **Adjustment Upon Changes in Capitalization**.

In accordance with Section 4.2 of the Plan, in the event that there is a change in the Common Stock of the Company by reason of stock dividends, split-ups, recapitalizations, mergers, consolidations, reorganizations, combinations or exchanges of shares, then the Restricted Shares shall be adjusted in the same manner as other shares of Common Stock are adjusted.

7. **Tax Withholding**.

The Board shall have the power and the right to deduct or withhold, cash or shares, or require the Participant to remit to the Company, an amount sufficient to satisfy Federal, state, and local taxes, domestic or foreign, required by law or regulation to be withheld with respect to any taxable event arising as a result of the Award.

8. **Share Withholding**.

With respect to withholding upon the lapse of restrictions on the Restricted Shares, or upon any other taxable event arising as a result of this grant of Restricted Shares, the Participant may elect, subject to the approval of the Board, to satisfy the tax withholding requirement, in whole or in part, by having the Company withhold Shares having a Fair Market Value on the date the tax is to be determined equal to the minimum statutory total tax which could be imposed on the transaction, or at such other rate as will not result in adverse accounting treatment, as determined by the Board in its sole discretion. All such elections shall be irrevocable, made in writing, signed by the Participant, and shall be subject to any restrictions or limitations that the Board, in its sole discretion, deems appropriate. Notwithstanding the foregoing, in the event that the Participant has the opportunity to make an election but does not submit to the Company a properly completed election form at least five (5) business days prior to the date of Lapse of Restrictions; or the Participant does not tender cash consideration as elected or required, then Section 7 of these Terms and Conditions may be applied.

9. **Nontransferability**.

This Agreement and the Restricted Shares granted hereunder, until such time as the restrictions on the Shares have lapsed, may not be sold, transferred, pledged, assigned, or otherwise alienated or hypothecated, other than by will or by the laws of descent and distribution.

10. **Administration and Interpretation**.

This Award Agreement and the rights of the Participant hereunder are subject to all terms and conditions of the Plan, as the same may be amended from time to time, as well as to such rules and regulations as the Board may adopt for administration of the Plan. It is expressly understood that the Board is authorized to administer, construe, and make all determinations necessary or appropriate to the administration of the Plan and this Award Agreement, all of which shall be binding upon the Participant. The Board may delegate to the Compensation Committee all determinations with respect to the Plan and this Award Agreement. All capitalized terms used in this Award Agreement shall have the meanings ascribed to them in the Plan, unless specifically set forth otherwise herein. If there is any inconsistency between the terms of this Award Agreement and the terms of the Plan, the Plan's terms shall completely supersede and replace the conflicting terms of this Award Agreement.

11. **Miscellaneous**

(a) This Award Agreement shall not confer upon the Participant any right to continuation of employment by the Company, nor shall this Award Agreement interfere in any way with the Company's right to terminate his or her employment at any time.

(b) The Board may terminate, amend, or modify the Plan; provided, however, that no such termination, amendment, or modification of the Plan may in any way adversely affect the Participant's rights under this Award Agreement without the Participant's written consent.

(c) This Award Agreement shall be subject to all applicable laws, rules, and regulations, and to such approvals by any governmental agencies or national securities exchanges as may be required.

(d) To the extent not preempted by Federal law, this Award Agreement shall be construed in accordance with and governed by the substantive laws of the State of Missouri without regard to conflicts of laws principles, which might otherwise apply. Any litigation arising out of, in connection with, or concerning any aspect of the Plan or this Award Agreement shall be conducted exclusively in the State or Federal courts in Missouri.

Exhibit 10.15

SEVERANCE AGREEMENT

This SEVERANCE AGREEMENT (the "Agreement") is effective as of January 31 , 2022 ("Effective Date") by and between Michael R. Edwards ("Employee") and Caleres, Inc., a New York corporation ("Caleres" and, together with its subsidiaries, the "Company").

WHEREAS, Caleres is engaged, directly and indirectly through its subsidiaries, in the sourcing and retail and wholesale sale of footwear in the United States and throughout the world;

WHEREAS, Employee is employed by Caleres or a wholly-owned subsidiary of Caleres in an executive capacity, possesses intimate knowledge of the business and affairs of the Company, and has acquired, and will continue to acquire, certain confidential, proprietary and trade secret information and data with respect to the Company;

WHEREAS, Caleres desires to insure, insofar as possible, that the Company will continue to have the benefit of Employee's services and to protect the confidential information and goodwill of the Company; and

WHEREAS, the Company recognizes that circumstances may arise in which a change in the control of Caleres occurs, through acquisition or otherwise, thereby causing uncertainty of employment without regard to Employee's competence or past contributions which uncertainty may result in the loss of valuable services of Employee to the detriment of the Company and Caleres's shareholders, and the Company and Employee wish to provide reasonable security to Employee against changes in Employee's relationship with Caleres in the event of any such change in control; and

WHEREAS, both the Company and Employee are desirous that a proposal for any change of control or acquisition will be considered by Employee objectively and with reference only to the business interests of the Company and Caleres's shareholders; and 4

WHEREAS, Employee will be in a better position to consider the best interests of the Company if Employee is afforded reasonable security, as provided in this Agreement, against altered conditions of employment which could result from any such change in control or acquisition.

NOW, THEREFORE, in consideration of the foregoing and of the mutual covenants and agreements hereinafter set forth, the parties hereto mutually covenant and agree as follows:

Section 1. Definitions

1.1 "Board" means the Board of Directors of Caleres.

1.2 "Business Unit" means any direct or indirect subsidiary, operating division or business unit of Caleres.

1.3 "Cause" means (i) Employee engaging in willful misconduct which is materially injurious to the Company; (ii) Employee's conviction of, or plea of guilty or nolo contendere to, a felony; (iii) Employee engaging in fraud, material dishonesty or gross misconduct in connection with the business of the Company; (iv) Employee's continued failure to perform duties reasonably assigned to him by the Company; or (v) Employee's deliberate violation of the company's material policies, including but not limited to the company's Respect in the Workplace policy.

1.4 "Change of Control" means the occurrence of any of the following events after the Effective Date:

(a) The acquisition by any Person of beneficial ownership (within the meaning of Rule 13d-3 promulgated under the Exchange Act) of 30% or more of either
(x) the then outstanding shares of common stock of Caleres (the "Outstanding Company Common Stock") or (y) the combined voting power of the then outstanding voting securities of Caleres entitled to vote generally in the election of directors (the "Outstanding Company Voting Securities"); provided, however, that for purposes of this paragraph (a) the following acquisitions shall not constitute a Change of Control: (i) any acquisition directly from the Company, (ii) any acquisition by the Company, (iii) any acquisition by any employee benefit plan (or related trust) sponsored or maintained by the Company or any corporation controlled by the Company, or (iv) any acquisition by any corporation pursuant to a transaction which complies with the exception set forth in paragraph (c) below; or

(b) Individuals who, as of the Effective Date of this Agreement, constitute the Board (the "Incumbent Board") cease for any reason to constitute at least a majority of the Board; provided, however, that any individual becoming a director subsequent to the Effective Date whose election, or nomination for election by the Company's shareholders, was approved by a vote of at least a majority of the directors then comprising the Incumbent Board shall be considered as though such individual were a member of the Incumbent Board, but excluding, for this purpose, any such individual whose initial assumption of office occurs as a result of an actual or threatened election contest with respect to the election or removal of directors or other actual or threatened solicitation of proxies or consents by or on behalf of a Person other than the Board; or

(c) Consummation of a reorganization, merger or consolidation or sale or other disposition of all or substantially all of the assets of the Company or the acquisition of assets of another corporation (a "Business Combination"), in each case, unless, following such Business Combination, all or substantially all of the individuals and entities who were the beneficial owners, respectively, of the Outstanding Company Common Stock and Outstanding Company Voting Securities immediately prior to such Business Combination beneficially own, directly or indirectly, more than 65% of, respectively, the then outstanding shares of common stock and the combined voting power of the then outstanding voting securities entitled to vote generally in the election of directors, as the case may be, of the corporation resulting from such Business Combination (including, without limitation, a corporation which as a result of such transaction owns the Company or all or substantially all of the Company's assets either directly or through one or more subsidiaries) in substantially the same proportions as their ownership, immediately prior to such Business Combination, of the Outstanding Company Common Stock and Outstanding Company Voting Securities, as the case may be; or

(d) A complete liquidation or dissolution of the Company.

Notwithstanding the foregoing, a Change of Control shall not occur unless one of the foregoing events occurs and such transaction constitutes a change in control event under Section 409A of the Code, to the extent required to avoid the adverse tax consequences thereunder.

1.5 "Code" means the Internal Revenue Code of 1986, as amended.

1.6 "Competitor" means any Person which (a) in its prior fiscal year had annual gross sales volume or revenues of more than $20,000,000 attributable to the sale of footwear or (b) is reasonably expected to have such level of footwear sales or revenues in either the current fiscal year or the next following fiscal year.

1.7 "Confidential Information" shall have the meaning set forth in Section 9.

1.8 "Customer" means any wholesale customer of Caleres and/or any Business Unit which either purchased from Caleres and/or any Business Unit during the one (1) year immediately preceding the Termination Date, or is reasonably expected by Caleres and/or any Business Unit to purchase from Caleres and/or any Business Unit in the one (1) year period immediately following the Termination Date, more than $1,000,000 in footwear.

1.9 "ERISA" means the Employee Retirement Income Security Act of 1974, as amended.

1.10 "Good Reason," when used with reference to a voluntary termination by Employee of Employee's employment with the Company, means (i) a material reduction in Employee's base salary as in effect on the date hereof, or as the same may be increased from time to time; (ii) a material reduction in Employee's status, position, responsibilities or duties; (iii) the required relocation of Employee's principal place of business, without Employee's consent, to a location which is more than fifty (50) miles from Employee's principal place of business on the Effective Date, or from such location to which Employee may transfer with Employee's consent after the Effective Date; (iv) the failure of any successor of Caleres to assume this Agreement, or (v) a material breach of this Agreement by the Company; provided, however, that the Employee must provide the Company written notice of the event ("Event Notice") that is the basis of the potential Good Reason termination in writing within ninety (90) days of its initial existence, and the Event Notice shall describe the conduct the Employee believes to constitute Good Reason. The Company shall have thirty (30) days to cure such conduct upon receipt of the Event Notice from the Employee. If the Company cures the conduct that is the basis for the potential termination for Good Reason within such thirty (30) day period ("Cure Period"), the Employee's Event Notice shall be deemed withdrawn. Employee's right to claim Good Reason termination shall be deemed waived with respect to such conduct if:
(a) Employee does not provide an Event Notice to the Company within (90) days after the initial existence of such conduct; (b) the Company cures such conduct within the Cure Period, or (c) Employee's termination occurs on a date that is more than one hundred twenty 120 days after the initial existence of such conduct.

1.11 "Person" means any individual, entity or group (within the meaning of Section 13(d)(3) or 14(d)(2) of the Securities Exchange Act of 1934, as amended (the "Exchange Act")).

1.12 "Termination Date" means the effective date as provided in this Agreement of the termination of Employee's employment with the Company. Employee will have a termination of employment only if he has a separation from service determined based on all of the facts and circumstances and in accordance with the rules and regulations issued by the Treasury Department under Code Section 409A.

Section 2. Term

2.1 Subject to Section 2.2, the term of this Agreement (the "Term") shall be a period commencing on the Effective Date and ending March 31, 2022.

2.2 The Term shall be automatically extended for successive one (1) year periods unless either party to this Agreement provides the other party with notice of termination at least ninety (90) days prior to the expiration of the original period or any one-year period thereafter.

Section 3. Termination of Employment

3.1 The Company may terminate Employee's employment at any time for Cause, effective upon written notice to Employee specifying in reasonable detail the particulars of Employee's conduct deemed by the Company and/or such subsidiary to justify such termination for Cause.

3.2 The Company may terminate Employee's employment without Cause at any time, effective upon written notice to Employee of termination specifying that such termination is without Cause.

3.3 Employee may terminate Employee's employment with the Company at any time, with or without Good Reason.

Section 4. Separation Benefits

4.1 If Employee's employment is terminated by the Company for any reason other than for Cause, death or disability and Section 4.2 does not apply, Employee shall be entitled to the following separation benefits:

(a) The Company shall pay, or cause to be paid, to Employee within thirty (30) days of the Termination Date (i) the full base salary earned by Employee through, but unpaid at, the Termination Date, plus (ii) all other amounts owed by the Company to Employee (other than any bonus or incentive payment of any kind) but unpaid as of the Termination Date.

(b) The Company shall pay, or cause to be paid, to Employee (i) in a lump sum not later than sixty (60) days after the Termination Date an amount equal to 100% of the sum of (A) Employee's base annual salary at the highest rate in effect at any time during the twelve (12) months immediately preceding the Termination Date, and (B) Employee's targeted annual incentive payment for the current year; and (ii) Employee's annual incentive payment for the year of termination prorated to the Termination Date, paid at the time such annual incentive payment would have been paid if Employee had remained employed to the date of payment and calculated based on achievement of the performance criteria applicable to such annual incentive payment.

(c) The Company shall pay to Employee a lump sum cash amount equal to the premium for 12 months under the Company's medical and/or dental plans in which Employee was participating as of the Termination Date, less the aggregate portion of such premium that Employee would be required to pay for 12 months if Employee were an active employee with the Company for such 12-month period, in each case, as determined on the Termination Date and otherwise in accordance with the method for determining the premium amount for purposes of COBRA but regardless of whether Employee elects continuation coverage under COBRA. Such payment shall be "grossed up" for tax purposes and shall be payable not later than sixty (60) days after the Termination Date.

(d) The restrictions applicable to each share of non-vested restricted stock of Caleres held by Employee that would have vested within the one (1) year period following the Termination Date had Employee remained employed by the Company shall lapse as of the Termination Date.

(e) Each non-vested option to purchase Caleres stock held by Employee that would have vested within the one (1) year period following the Termination Date had Employee remained employed by the Company shall vest as of the Termination Date.

(f) The Company shall pay the reasonable costs of outplacement services selected by the Company for a reasonable period of time following the Termination Date; provided, however, that no such outplacement services shall be provided after the last day of the second calendar year following the calendar year in which the Termination Date occurs.

4.2 If Employee's employment is terminated within twenty-four (24) months after a Change of Control (x) by the Company for any reason other than for Cause, death or disability, or (y) by Employee within ninety (90) days after the occurrence of Good Reason, Employee shall be entitled to the following separation benefits in place of, and not in addition to, the benefits set forth in Section 4.1:

(a) The Company shall pay, or cause to be paid, to Employee within thirty (30) days of the Termination Date (i) the full base salary earned by Employee through, but unpaid at, the Termination Date, plus (ii) all other amounts owed by the Company to Employee (other than any bonus or incentive payment of any kind) but unpaid as of the Termination Date.

(b) The Company shall pay, or cause to be paid, to Employee (i) in a lump sum six (6) months after the Termination Date an amount equal to 200% of the sum of (A) Employee's base annual salary at the highest rate in effect at any time during the twelve (12) months immediately preceding the Termination Date, and (B) Employee's targeted annual incentive payment for the current year; and (ii) Employee's annual incentive payment for the year of termination prorated to the Termination Date.

(c) The Company shall pay to Employee a lump sum cash amount equal to the premium for 18 months under the Company's medical and/or dental plans in which Employee was participating as of the Termination Date, less the aggregate portion of such premium that Employee would be required to pay for 18 months if Employee were an active employee with the Company for such 18-month period, in each case, as determined on the Termination Date and otherwise in accordance with the method for determining the premium amount for purposes of COBRA but regardless of whether Employee elects continuation coverage under COBRA. Such payment shall be "grossed up" for tax purposes and shall be payable not later than sixty (60) days after the Termination Date.

(d) The restrictions applicable to each share of non-vested restricted stock of Caleres held by Employee shall lapse as of the Termination Date.

(e) Each non-vested option to purchase Caleres stock held by Employee shall vest and be exercisable as of the Termination Date.

(f) The Company shall pay the reasonable costs of outplacement services selected by the Company for a reasonable period of time following the Termination Date; provided, however, that no such outplacement services shall be provided after the last day of the second calendar year following the calendar year in which the Termination Date occurs.

4.3 If Employee's employment is terminated for any reason other than such reasons specified in Sections 4.1 and 4.2, the Company shall pay, or cause to be paid, to Employee within 30 days of the Termination Date (i) the full base salary earned by Employee through, but unpaid at, the Termination Date, plus (ii) all other amounts owed by the Company to Employee (other than any bonus or incentive payment of any kind) but unpaid as of the Termination Date.

4.4 The benefits set forth in Sections 4.l(c) and 4.2 (c) shall run concurrently with any period of continuation coverage to which Employee is entitled under Section 601 of ERISA. Upon Employee's re-employment during the period specified in each such Section, to the extent covered by the new employer's plan, coverage under the

Company's plan shall lapse, subject to any continuation of coverage rights under Section 601 of ERISA. Employee's participation in and/or coverage under all other employee benefit plans, programs or arrangements sponsored or maintained by the Company shall cease effective as of the Termination Date except as otherwise provided in such employee benefit plan, program or arrangement.

Section 5. Mitigation or Reduction of Benefits

Employee shall not be required to mitigate the amount of any payment provided for in Section 4 by seeking other employment or otherwise. Except as otherwise specifically set forth herein, the amount of any payment or benefits provided in Section 4 shall not be reduced by any compensation or benefits or other amounts paid to or earned by Employee as the result of employment by another employer after the Termination Date or otherwise.

Section 6. Employee Expenses After Change in Control

If Employee's employment is terminated by the Company within twenty-four (24) months after a Change in Control and there is a dispute with respect to this Agreement, then all Employee's costs and expenses (including reasonable legal and accounting fees) incurred by Employee (a) to defend the validity of this Agreement, (b) to contest any termination for Cause, (c) to contest any determinations by the Company concerning the amounts payable by or on behalf of the Company under this Agreement, or (d) to otherwise obtain or enforce any right or benefit provided to Employee by this Agreement, shall be paid by the Company. The Company shall make payment of such reimbursements from time to time, but in no event later than the last day of the calendar year following the calendar year **in** which such expenses are incurred, provided Employee timely submits reasonable documentation of such expenses. In the event Employee is not the prevailing party in any such contest, Employee shall pay back any reimbursements made by the Company hereunder within thirty (30) days of final disposition of such contest.

Section 7. Release

Notwithstanding anything to the contrary stated in this Agreement, no benefits will be paid pursuant to Section 4 except under Section 4.l(a), 4.2(a) or 4.3 prior to execution by Employee of a release of the Company substantially in the form attached as <u>Exhibit A</u>, with such changes as may be made by the Company in its sole discretion in order to comply with and stay current with applicable laws and regulations. Unless Employee executes such release and returns it to the Company within forty-five (45) days of his Termination Date, all benefits except under Sections 4.l(a), 4.2(a) or 4.3 shall be forfeited: provided further that if the forty-five (45) day period following Employee's Termination Date spans two calendar years, in no event will any payments or benefits that constitute "deferred compensation" within the meaning of Code Section 409A be paid prior to the first day of such second calendar year.

Section 8. Covenant Not to Compete

8.1 During Employee's employment with Caleres and/or any Business Unit and for a period of one (1) year after the Termination Date if termination is pursuant to Sections 4.1 or 4.3, or for a period of two (2) years after the Termination Date if termination is pursuant to Section 4.2 (the "Restricted Period"), Employee will not, directly or indirectly, on Employee's own behalf or on behalf of any other Person (whether as owner, partner, consultant, employee or otherwise):

(a) provide any executive, managerial, supervisory, and/or consulting services with respect to the footwear industry and/or the footwear business in the United States for any Competitor;

(b) hold any executive, managerial and/or supervisory position with any Competitor in the United States;

(c) assist any Competitor in competing against Caleres and/or any Business Unit for which Employee performs or performed substantial work and/or has or had access to Confidential Information (each a

"Relevant Business Unit") (i) in the United States and/or (ii) in any other country in which Caleres and/or any Relevant Business Unit is doing business in the one year immediately preceding the Termination Date (each a "Foreign Country") if Employee had access to Confidential Information regarding the Company's business in such Foreign Country;

(d) engage in any research, development and/or planning activities or efforts for a Competitor, whether as an employee, consultant, independent contractor or otherwise, to assist the Competitor in competing (i) in the footwear industry in the United States or (ii) in any Foreign Country if Employee had access to Confidential Information regarding the Company's business in such Foreign Country;

(e) cause or attempt to cause any Customer to divert, terminate, limit, modify or fail to enter into any existing or potential relationship with Caleres and/or any Relevant Business Unit;

(f) assist any Competitor in connection with any plan, effort, activity or undertaking to cause or attempt to cause any Customer to divert, terminate, limit, modify or fail to enter into any existing or potential relationship with Caleres and/or any Relevant Business Unit;

(g) cause or attempt to cause any footwear supplier or manufacturer of Caleres and/or any Relevant Business Unit to divert, terminate, limit, modify or fail to enter into any existing or potential relationship with Caleres and/or any Relevant Business Unit;

(h) assist any Competitor in connection with any plan, effort, activity or undertaking to cause or attempt to cause any footwear supplier or manufacturer of Caleres and/or any Relevant Business Unit to divert, terminate, limit, modify or fail to enter into any existing or potential relationship with Caleres and/or any Relevant Business Unit; and/or

(i) solicit, entice, employ or seek to employ, in the footwear industry, any executive, managerial and/or supervisory employee of, or any consultant or advisor to, Caleres and/or any Relevant Business Unit.

8.2 Employee recognizes and agrees that the restraints contained in Section 8.1 are reasonable and should be fully enforceable in view of, among other things, the high level positions Employee has had with Caleres and/or any Relevant Business Unit(s), the national and international nature of both the Company's collective business and competition in the footwear industry, and the legitimate interests of the Company in protecting its confidential, proprietary and trade secret information ("Confidential Information") and their respective customer goodwill and relationships. Employee specifically hereby acknowledges and confirms that Employee is willing and intends to, and will, abide fully by the terms of Section 8.1. Employee further agrees that the Company would not have adequate protection if Employee were permitted to work for its competitors in violation of the terms of this Agreement since the Company would, among other things, be unable to verify whether (i) its Confidential Information was being disclosed and/or misused, and/or (ii) Employee was involved in diverting or helping to divert the Company's customers and/or customer goodwill.

8.3 Employee agrees to disclose, during the Restricted Period, the terms of this Section 8 to any potential future employer.

Section 9. Confidential Information.

9.1 Employee acknowledges and agrees that during Employee's employment, Employee has been and/or will be provided and have access to certain Confidential Information of the Company. Employee agrees to keep secret and confidential, and not to use or disclose to any third-parties, except as directly required for Employee to perform Employee's employment responsibilities for the Company, any of the Company's Confidential Information.

9.2 Confidential Information includes all confidential and/or trade secret information of the Company (regardless of the form or medium in which it may exist or be stored or preserved) and includes, but is not limited to, all such information containing or reflecting any:

(a) lists or other identification of customers or prospective customers of Caleres and/or any Relevant Business Unit (and/or key individuals employed or engaged by such parties);

(b) lists or other identification of sources or prospective sources of Caleres's and/or any Relevant Business Unit's products or components thereof (and/or key individuals employed or engaged by such parties);

(c) compilations, information, designs, drawings, files, formulae, lists, machines, maps, methods, models, notes or other writings, plans, records, regulatory compliance procedures, reports, specialized or technical data, schematics, source code, object code, documentation, and software relating to the development, manufacture, fabrication, assembly, marketing and/or sale of Caleres's and/or any Relevant Business Unit's products;

(d) financial, distribution, sales and marketing information, data, plans, and/or strategies of Caleres and/or any Relevant Business Unit;

(e) equipment, materials, procedures, processes, and techniques used in, or related to, the development, manufacture, assembly, fabrication or other production and quality control of the Caleres's and/or any Relevant Business Unit's products and services;

(f) Caleres's and/or any Relevant Business Unit's relations and/or dealings with its customers, prospective customers, suppliers and prospective suppliers and the nature and type of products or services rendered to such customers (or proposed to be rendered to prospective customers);

(g) Caleres's and/or any Relevant Business Unit's relations with its employees (including, without limitation, salaries, job classifications and skill levels); and

(h) any other information designated by Caleres and/or any Relevant Business Unit to be confidential, secret and/or proprietary (including without limitation, information provided by customers or suppliers of Caleres and/or any Relevant Business Unit).

Notwithstanding the foregoing, the term "Confidential Information" shall not consist of any data or other information which has been made publicly available or otherwise placed in the public domain other than by Employee in violation of this Agreement.

9.3 Employee will not, directly or indirectly, copy, reproduce or otherwise duplicate, record, abstract, summarize or otherwise use for Employee or use for, or disclose to, any party other than Caleres, or any subsidiary or affiliate of Caleres, any Confidential Information, without Caleres's prior written permission or except as required for the proper performance of Employee's duties on behalf of the Company.

9.4 Employee understands that Confidential Information may or may not be labeled as "confidential" and will treat all information as confidential unless otherwise informed by Caleres.

9.5 At the termination of Employee's employment with the Company or at any other time Caleres or any subsidiary or affiliate thereof may request, Employee shall promptly deliver to Caleres all documents and other materials, whether in physical or electronic form (including all copies thereof), containing any Confidential Information.

Section 10. Injunctive Relief

In the event of a breach or threatened breach of any of Employee's duties or obligations under the terms and provisions of Section 8, Section 9, Section 11.2 or Section 11.9, the Company shall be entitled, in addition to any other legal or equitable remedies it may have in connection therewith (including any right to damages that it may suffer), to temporary, preliminary and permanent injunctive relief restraining such breach or threatened breach. Employee hereby expressly acknowledges that the harm that might result to the Company's business as a result of noncompliance by Employee with any of the provisions of Section 8, Section 9, Section 11.2 or Section 11.9 would be largely irreparable. Employee specifically agrees that if there is a question as to the enforceability of any of the provisions of Section 8, Section 9, Section 11.2 or Section 11.9, Employee will not engage in any conduct inconsistent with or contrary to such Sections until after the question has been resolved by a final judgment of a court of competent jurisdiction. Employee undertakes and agrees that if Employee breaches or threatens to breach the Agreement, Employee shall be liable for any attorneys' fees and costs incurred by the Company in enforcing its rights hereunder.

Section 11. Miscellaneous

11.1 *Notice.* All notices hereunder shall be in writing and shall be deemed to have been duly given (a) when delivered personally or by courier, or (b) when received by facsimile (including electronic mail), receipt confirmed, or (c) on the third business day following the mailing thereof by registered or certified mail, postage prepaid, or (d) on the first business day following the mailing thereof by overnight delivery service, in each case addressed as set forth below:

If to the Company:

Caleres, Inc.
8300 Maryland Avenue
St. Louis, Missouri 63166-0029 Attention: General Counsel

If to Employee:

Michael R. Edwards

____

____

Any party may change the address to which notices are to be addressed by giving the other party written notice in the manner herein set forth.

11.2 *Successors; Binding Agreement.*

(a) Caleres shall require any successor to all or substantially all of the business and/or assets of the Company (whether such succession is direct or indirect, by purchase, merger, consolidation or otherwise), prior to or upon such succession, to expressly assume and agree to perform this Agreement in the same manner and to the same extent that the Company would have been required to perform it if no such succession had taken place. To the extent such transaction constitutes a change in the ownership or effective control of the Company or in the ownership of a substantial portion of the assets of the Company under Code Section 409A and the rules and regulations thereunder, failure of Caleres to obtain such agreement upon or prior to the effectiveness of any such succession shall be a material breach of this Agreement and shall entitle Employee to benefits from the Company in the same amounts and on the same terms as Employee would be entitled hereunder if Employee's employment was terminated without Cause within twenty-four (24) months after a Change of Control. For purposes of the preceding sentence, the date on which any such succession becomes effective shall be deemed the Termination Date.

(b) Caleres shall also have the right, but not the obligation, to assign this Agreement, without Employee's consent, to any successor to all or substantially all of the business and/or assets of a Business Unit for which Employee performs substantially all of Employee's duties (whether such succession is direct or indirect, by purchase, merger, consolidation or otherwise). In the event, and only in the event, Caleres elects to assign this Agreement to such successor of a Business Unit, a Change of Control will be deemed to have occurred and Caleres shall require such successor to expressly assume and agree to perform this Agreement in the same manner and to the same extent that the Company would have been required to perform it if no such succession had taken place. No Change of Control shall be deemed to have occurred if Caleres does not elect to assign this Agreement to such successor of a Business Unit.

(c) This Agreement is personal to Employee and Employee may not assign or delegate any part of Employee's rights or duties hereunder to any other person, except that this Agreement shall inure to the benefit of and be enforceable by Employee's legal representatives, executors, administrators, heirs and beneficiaries.

11.3 *Judicial Modification.* If and to the extent that any Section, term and/or provision of this Agreement is determined by a court of competent jurisdiction to be unenforceable under applicable law, then such Section(s), term(s) and/or provision(s) shall not be void but instead shall be modified and, to the maximum extent permissible under applicable law, enforced.

11.4 *Headings.* The headings in this Agreement are inserted for convenience of reference only and shall not in any way affect the meaning or interpretation of this Agreement.

11.5 *Counterparts.* This Agreement may be executed in multiple counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same instrument.

11.6 *Waiver.* Neither any course of dealing nor any failure or neglect of either party hereto in any instance to exercise any right, power or privilege hereunder or under law shall constitute a waiver of such right, power or privilege or of any other right, power or privilege or of the same right, power or privilege in any other instance. Without limiting the generality of the foregoing, Employee's continued employment without objection shall not constitute Employee's consent to, or a waiver of Employee's rights with respect to, any circumstances constituting Good Reason. All waivers by either party hereto must be contained in a written instrument signed by the party to be charged therewith, and, in the case of the Company, by its duly authorized officer.

11.7 *Entire Agreement.* This instrument constitutes the entire agreement of the parties in this matter and shall supersede any other agreement between the parties, oral or written, concerning the same subject matter.

11.8 *Amendment.* Subject to Section 11.3, no modification, amendment or waiver of any of the provisions of this Agreement shall be effective unless in writing specifically referring hereto, and signed by the parties hereto.

11.9 *Governing Law.* In light of Company's and Employee's substantial contacts with the State of Missouri, the facts that the Company is headquartered in Missouri and Employee resides in and/or reports to Company management in Missouri, the parties' interests in ensuring that disputes regarding the interpretation, validity and enforceability of this Agreement are resolved on a uniform basis, and Caleres's execution of, and the making of, this Agreement in Missouri, the parties agree that: (i) any litigation involving any noncompliance with or breach of the Agreement, or regarding the interpretation, validity and/or enforceability of the Agreement, shall be filed and conducted exclusively in the state courts in St. Louis County, Missouri, or the U.S. District Court for the Eastern District of Missouri; and (ii) this Agreement shall be interpreted in accordance with and governed by the laws of the State of Missouri, without regard for any conflict of law principles. Employee agrees that Employee under no circumstances will, either alone or in conjunction with anyone else, file or pursue any such litigation other than in such state or federal courts in Missouri, and Employee hereby consents and agrees that any such litigation filed in any other court(s) shall be dismissed and that Employee may be enjoined from filing and/or pursuing any such action.

11.10 *Third Party Beneficiaries.* Employee agrees that Caleres's subsidiaries are third party beneficiaries of this Agreement and hereby consents to the enforcement by any subsidiary of Caleres of the provisions contained herein, including without limitation, the provisions of Section 8 and Section 9.

11.11 *Interpretation and Compliance with Law.* With respect to those amounts payable hereunder which are subject to Code Section 409A, this Agreement shall be interpreted in a manner so as to be consistent with such provision and the rules and regulations promulgated thereunder. The Company may modify the Agreement to the extent necessary to prevent a benefit or payment from being subject to a tax due to noncompliance with Code Section 409A or other law and to comply with applicable law. Notwithstanding anything herein to the contrary, in the event that Employee is determined to be a specified employee within the meaning of Code Section 409A, for purposes of any payment on termination of employment hereunder, payment(s) shall be made or begin, as applicable, on the first payroll date which is more than six months following the date of separation from service, to the extent required to avoid any adverse tax consequences under Code Section 409A.

IN WITNESS WHEREOF, Employee and Caleres have executed this Agreement as of the day and year first above written.

CALERES, INC.		EMPLOYEE	
By:	/s/ Douglas W. Koch	By:	/s/ Michael R. Edwards
Name:	Douglas W. Koch	Name:	Michael R. Edwards
Title:	SVP, Chief Human Resources Officer	Title:	Division President, Famous Footwear
Date:	January 15, 2022	Date:	January 31, 2022

Exhibit 21

SUBSIDIARIES OF THE REGISTRANT
CALERES, INC.

January 29, 2022

Name	State or Country of Incorporation
AESC Holding, LLC	Delaware
AESC Manufacturing, LLC	Delaware
Allen Edmonds, LLC	Wisconsin
Allen-Edmonds Sales LLC	Delaware
Allen Edmonds Licensing Inc.	Delaware
Apollo Buyer Holding LLC	Delaware
B&H Footwear Company Limited (51% owned)	Hong Kong
BG Retail, LLC	Delaware
BGDL Limited	Ireland
Blowfish, LLC	Delaware
Buster Brown & Company	Missouri
Caleres Canada, Inc.	Canada
Caleres Cayman Limited	Cayman Islands
Caleres Europe Limited (FKA Vionic Europe Limited)	United Kingdom
Caleres International (Macau) Company Limited	Macau
Caleres International Corporation	Delaware
Caleres International Vietnam Company Limited	Vietnam
Caleres Investment Company, Inc.	Delaware
Caleres Italy S.r.l.	Italy
Caleres Leather Trading PLC	Ethiopia
Caleres Licensing Cayman Limited	Cayman Islands
Caleres Licensing Netherlands B.V.	Netherlands
Caleres Service (Macau) Company Limited	Macau
Caleres Services Corporation	Ohio
Caleres Trading Limited	Hong Kong
CLT Brand Solutions (HK) Limited – Hong Kong	Hong Kong
CLT Brand Solutions Limited (50% owned)	British Virgin Islands
CLT Brand Solutions Trading Limited (Hong Kong)	Hong Kong
CLT Commerce and Trade Shanghai LTD	China
DongGuan Caleres Company Limited	China
DongGuan Leeway Footwear Company Limited	China
Edelman Shoe, Inc.	Delaware
Great Prosper Profits Corporation	British Virgin Islands
Leeway International Company Limited	Hong Kong
Pagoda International Footwear (Macau Commercial Offshore) Limited	Macau
Putian Caleres Company Limited	China
Sidney Rich Associates, Inc.	Missouri
Vionic Group LLC	Delaware
Vionic International LLC	Delaware
Vionic Hong Kong Limited	Hong Kong
Whitenox Limited	Hong Kong
Wooden Shoe International, LLC	Delaware

Exhibit 21
Subsidiaries of the Registrant (Continued)

BG Retail, LLC does business under the following names:

Famous Footwear
Famous Footwear Outlet
Naturalizer
Sam Edelman

Caleres Canada, Inc. does business under the following names:

Famous Footwear
Famous Footwear Outlet

Exhibit 23

Consent of Independent Registered Public Accounting Firm

We consent to the incorporation by reference in the following Registration Statements of Caleres, Inc. of our reports dated March 28, 2022, with respect to the consolidated financial statements and schedule of Caleres, Inc. and the effectiveness of internal control over financial reporting of Caleres, Inc., included in this Annual Report (Form 10-K) of Caleres, Inc. for the year ended January 29, 2022.

Form Number	Registration Statement Number	Description
Form S-8	333-65900	Caleres, Inc. 401(k) Savings Plan
Form S-8	333-89014	Caleres, Inc. Incentive and Stock Compensation Plan of 2002
Form S-8	333-134496	Caleres, Inc. Incentive and Stock Compensation Plan of 2002, as amended
Form S-8	333-147989	Caleres, Inc. Deferred Compensation Plan
Form S-8	333-151122	Caleres, Inc. Incentive and Stock Compensation Plan of 2002, as amended
Form S-8	333-174526	Caleres, Inc. Incentive and Stock Compensation Plan of 2011
Form S-8	333-208908	Caleres, Inc. Deferred Compensation Plan, as amended
Form S-8	333-218832	Caleres, Inc. Incentive and Stock Compensation Plan of 2017
Form S-8	333-257165	Caleres, Inc. Deferred Compensation Plan, as amended

/s/ Ernst & Young LLP

St. Louis, Missouri
March 28, 2022

Exhibit 31.1

CERTIFICATIONS

I, Diane M. Sullivan, certify that:

1. I have reviewed this annual report on Form 10-K of Caleres, Inc. (the “Registrant”);

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the Registrant as of, and for, the periods presented in this report;

4. The Registrant’s other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the Registrant and have:

   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) Evaluated the effectiveness of the Registrant’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) Disclosed in this report any change in the Registrant’s internal control over financial reporting that occurred during the Registrant’s most recent fiscal quarter (the Registrant’s fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the Registrant's internal control over financial reporting; and

5. The Registrant’s other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Registrant’s auditors and the audit committee of the Registrant’s board of directors (or persons performing the equivalent functions):

   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Registrant's ability to record, process, summarize and report financial information; and

   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the Registrant’s internal control over financial reporting.

/s/ Diane M. Sullivan
Diane M. Sullivan
Chief Executive Officer and
Chairman of the Board of Directors
Caleres, Inc.
March 28, 2022

Exhibit 31.2

CERTIFICATIONS

I, Kenneth H. Hannah, certify that:

1. I have reviewed this annual report on Form 10-K of Caleres, Inc. (the “Registrant”);

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the Registrant as of, and for, the periods presented in this report;

4. The Registrant’s other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the Registrant and have:

   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) Evaluated the effectiveness of the Registrant’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) Disclosed in this report any change in the Registrant’s internal control over financial reporting that occurred during the registrant’s most recent fiscal quarter (the registrant’s fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The Registrant’s other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Registrant’s auditors and the audit committee of the Registrant’s board of directors (or persons performing the equivalent functions):

   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Registrant's ability to record, process, summarize and report financial information; and

   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the Registrant’s internal control over financial reporting.

/s/ Kenneth H. Hannah
Kenneth H. Hannah
Senior Vice President and Chief Financial Officer
Caleres, Inc.
March 28, 2022

Exhibit 32.1

Certification Pursuant to
18 U.S.C. §1350,
As Adopted Pursuant to
Section 906 of the Sarbanes-Oxley Act of 2002

In connection with the Annual Report of Caleres, Inc. (the "Registrant") on Form 10-K for the year ended January 29, 2022, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), we, Diane M. Sullivan, Chief Executive Officer and Chairman of the Board of Directors of the Registrant, and Kenneth H. Hannah, Senior Vice President and Chief Financial Officer of the Registrant, certify, to the best of our knowledge, pursuant to 18 U.S.C. §1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Registrant.

/s/ Diane M. Sullivan
Diane M. Sullivan
Chief Executive Officer and Chairman of the
Board of Directors
Caleres, Inc.
March 28, 2022

/s/ Kenneth H. Hannah
Kenneth H. Hannah
Senior Vice President and Chief Financial Officer
Caleres, Inc.
March 28, 2022